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# Annual Report

of the

## Controller

of the

City and County of San Francisco

For the Fiscal Year Ended June 30, 1955





# Annual Report

of the

## Controller

of the

City and County of San Francisco

For the Fiscal Year Ended June 30, 1955





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# CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF  
CONTROLLER

September 30, 1955.

To His Honor, the Mayor,  
and the Honorable Board of Supervisors,  
City and County of San Francisco

Gentlemen:

The annual report of the Controller for the fiscal year ended June 30, 1955, is submitted herewith, as provided by section 65 of the Charter.

The accounts of the Controller were audited by Lindquist, Von Husen & Joyce, by direction of the Board of Supervisors, in accordance with provisions of section 68 of the Charter.

By direction of the Controller, the following audits reported herein were performed by the accounting firms indicated:

San Francisco Water Department, Hetch Hetchy Water Supply and Power Project, by Skinner & Hammond.

Municipal Railway, by Barlow, Davis & Wood.

San Francisco School Department, by Benson & Neff.

Employees Retirement System, by Arthur Young & Co.

As prescribed by section 66 of the Charter, audits of the various departments of the City and County were made by the Controller's Audit Staffs. Included herein are the following:

Office of the Treasurer, by Controller's General Audit Staff.

San Francisco Airport, by Controller's Utilities Audit Staff.

Statistical schedules and charts were prepared by the Controller's Division of Accounts and Reports.

Very truly yours,



HARRY D. ROSS

CONTROLLER



## CITY AND COUNTY OF SAN FRANCISCO

## STATEMENT OF REVENUES

Fiscal Years 1949-46 to 1954-55

## FISCAL YEAR ENDED JUNE 30

	1946	1947	1948	1949	1950 (a)	1951 (a)	1952 (a)	1953 (a)	1954 (a)	1955 (a)
Property Taxes and Penalties	\$41,189,093.18	\$47,214,061.37	\$51,429,241.75	\$60,358,807.60	\$66,500,390	\$70,895,833	\$69,852,672	\$76,123,581	\$84,448,841	\$84,448,841
Retail Purchase and Use Tax	1,189,613.40	1,314,284.17	3,507,328.41	4,467,018.36	5,045,495	4,923,011	5,049,201	4,984,922	5,121,681	5,121,681
Other Taxes and Licenses	1,007,301.11	1,349,743.20	1,331,661.71	1,465,089.48	1,586,834	1,614,163	1,698,453	1,730,380	1,811,030	1,811,030
Court Fines	43,386,067.69	49,878,088.74	57,562,567.46	67,877,068.32	69,415,974	74,765,499	79,015,291	78,846,961	85,309,696	84,072,446
Departmental Revenues	3,096,319.37	3,774,663.20	4,071,272.14	5,223,205.83	5,383,159	6,409,076	6,182,127	6,961,108	7,577,720	7,577,720
Interest Earned	28,429.26	29,347.68	4,734.63	305,950.03	418,823	489,584	350,303	526,697	578,940	507,011
Rents, S. F. Unified School District	1,951,935.00	389,311.88	387,650.94	401,666.35	361,363	353,665	367,265	364,083	356,863	356,863
Transfers from Other Divisions	8,590.00	94,200.00	6,900.00	263,786.75	537,093	223,845	369,254	358,985	764,616	17,427
Cash Transferred from Capital Funds	405,874.65	409,109.41	418,318.79	274,457.96	372,387	392,023	326,222	244,435	394,865	190,569
Housing Authority - In lieu of taxes	86,280.56	332,461.76	69,484.73	51,440.55	91,940	49,493	87,988	134,104	90,099	158,035
Miscellaneous	5,595,482.19	5,037,279.43	5,027,961.23	6,673,819.59	7,374,664	8,015,338	7,854,639	8,251,894	9,154,399	8,988,899
From School Cafeteria Fund										
Revenues through State of California:										
Shared State Taxes:										
Motor Vehicle Fuel Tax	1,264,643.21	1,358,866.20	1,576,501.00	1,576,870.35	1,705,617	1,823,475	1,902,631	1,981,376	1,980,017	2,004,360
Special License Tax	673,834.21	744,086.00	1,575,860.21	2,408,476.96	2,308,220	2,250,222	2,327,622	2,369,025	2,274,701	2,274,701
Social Gas Tax Street Imp. Fund	302,352.38	357,422.73	287,421.38	360,431.37	382,973	403,851	413,664	432,250	413,571	413,571
Motor Vehicle Registration Fees	1,296,906.81	2,148,312.76	4,043,960.76	3,331,193.04	4,346,181	4,407,173	6,508,349	5,671,985	6,600,986	6,600,986
Motor Vehicle License Fees	774,712.15	698,111.70	1,266,936.72	1,264,850.06	1,367,041	1,415,966	1,249,603	1,263,643	1,261,919	1,276,236
Alcohol Beverage License Subsidy	2,510.24	2,620.00								
Miscellaneous										
State and Federal Grants-in-Aid:										
Maintenance of Minors	87,313.25	104,983.67	195,597.25	266,282.53	411,910	569,920	557,906	525,558	517,699	539,697
Aid to Needy Children	180,175.72	241,912.02	420,800.14	730,596.62	1,567,352	2,661,619	2,856,288	2,894,867	3,000,146	3,248,027
Aid to Needy Blind	328,346.59	187,872.41	276,242.58	474,972.58	1,212,090	1,453,306	1,473,407	1,479,407	1,479,407	1,479,407
Aid to Needy Aged	5,278,618.85	5,839,057.74	6,878,362.40	3,886,186.33	4,783,842	11,979,000	11,979,000	11,979,000	11,979,000	11,979,000
Police Department						64,000	93,008	116,139	126,815	86,349
Inspection Services - Aged and Children										
Tuberculosis Aid Subsidy	170,220.36	21,464.94	21,920.06	26,420.00	28,772	27,544	24,792	27,768	29,284	34,800
Aid for Elementary Schools	2,698,169.60	2,041,040.01	4,476,490.61	344,677.82	489,035.61	523,186	513,845	520,617	459,341	533,288
Aid for High Schools	1,948,670.71	2,697,702.00	2,062,250.00	2,191,363.00	2,251,299	2,408,179	2,334,120	2,497,614	7,119,817	7,371,876
Aid for City College		248,546.90	600,140.00	600,310.00	572,000	563,240	450,470	490,330	586,141	636,906
County School Service Fund										
Child Care Center	231,753.52	806,700.63	27,400.00	27,400.00	27,069	26,577	25,471	31,350	38,903	38,903
Federal Aid to Schools	121,500.00	121,500.00	121,500.00	121,500.00	121,500	121,500	121,500	121,500	121,500	121,500
Fire Boat Subsidy	107,359.37	126,663.55	158,203.34	247,553.46	335,794	352,874	382,629	737,547	803,158	922,051
Civilian War Assistance	405,107.29	94,713.93	13,745.64	188,435.55	190,639	191,830	198,528	206,424	226,947	180,601
Waterfront Employees Subsidy	14,183.86	15,710.00	10,411.33	11,340.00	11,626	18,019	20,970	22,992	25,861	27,249
Aid for Log Cabin Ranch	24,692.00	23,558.61	30,878.50	31,424.00	40,569	48,402	46,460	43,250	46,360	52,907
Post War Planning Projects	85,598.21	29,686.74	89,474.35	33,353.83	363,315	140**	37,750	125,147	195,159	198,341
Public Health Subsidy		57,270.00	270,609.63	248,818.37	257,903	227,947	237,753	237,753	237,753	237,753
Recreation Department Subsidy		12,325.00	2,027.89		12,325**					
California Centennial Commission				50,000.00						
School Cafeteria Program				75,000.00						
Charitable Contributions				18,348.44						
Disaster Council & Corps				113,024						
Total Revenues	\$54,870,874.08	\$73,186,224.20	\$88,637,803.92	\$98,466,758.98	\$103,239,731	\$119,278,094	\$125,803,259	\$126,606,802	\$137,151,212	\$146,296,470

\*Does not include amount apportioned to the State Highway Trust Fund.

\*\*Denotes deduction.

(a) Cents Omitted.

## CITY AND COUNTY OF SAN FRANCISCO

## STATEMENT OF EXPENDITURES

Fiscal Years 1945-46 to 1954-55

FISCAL YEAR ENDED JUNE 30

	1946	1947	1948	1949	1950 (a)	1951 (a)	1952 (a)	1953 (a)	1954 (a)	1955 (a)
Departmental Expenditures:										
Administration:										
City Clerk	\$ 5,121,793.30	\$ 6,193,959.93	\$ 6,925,959.92	\$ 7,585,988.85	\$ 7,838,393	\$ 7,789,286	\$ 7,767,034	\$ 8,539,205	\$ 9,385,569	\$ 9,909,535
Public Safety	1,470,030.35	10,857,546.70	12,832,310.39	14,393,249.89	15,228,793	15,888,907	17,509,965	18,748,784	20,804,800	22,014,767
Highways	1,370,110.94	1,473,342.64	1,709,296.37	1,922,531.04	2,046,428	1,963,287	1,950,737	2,722,831	3,028,109	3,287,857
Sanitation and Waste Removal	1,343,903.46	1,842,717.46	1,929,911.11	2,118,572.33	2,141,219	2,118,014	2,569,934	2,957,688	3,269,346	3,324,461
Conservation of Health	1,071,950.33	1,375,165.57	1,615,911.13	1,892,333.02	2,088,305	2,123,358	2,390,449	2,502,420	2,753,708	2,806,125
Public Welfare	3,971,672.83	4,725,101.63	5,825,183.99	6,318,117.81	6,801,352	6,860,240	7,761,571	8,778,313	9,107,558	9,775,386
Police	9,641,747.55	10,825,101.63	12,595,911.11	13,922,531.04	14,892,333.02	15,228,793	16,228,793	17,509,965	18,748,784	19,748,784
Correction	47,779.55	828,720.40	11,975,876.16	1,008,140.47	1,018,600	1,080,704	1,251,295	1,801,926	1,965,756	2,106,164
Schools	12,809,969.37	16,101,288.59	19,136,880.47	21,219,221.03	23,016,066	24,390,040	26,798,540	29,341,754	31,363,559	32,027,730
Liberaries	509,678.71	654,835.86	695,706.78	777,215.21	802,652	825,926	923,544	935,314	1,045,552	1,105,315
Recreation	3,454,570.99	4,221,776.93	4,737,851.59	5,276,653.38	5,296,062	4,753,800	4,932,813	5,075,479	5,419,246	5,580,062
Total Departmental	48,402,476.82	58,452,825.60	68,103,337.83	71,102,986.83	76,950,480	88,518,467	95,677,549	101,337,839	108,170,972	112,340,950
Expenditures:										
Bond Redemptions	2,915,000.00	3,115,000.00	3,015,000.00	4,189,000.00	4,639,000	5,098,000	5,383,000	5,540,000	5,654,000	6,694,000
Bond Interest	1,152,044.24	1,031,769.30	959,252.78	1,077,821.78	1,298,730	1,335,016	1,367,580	1,447,005	1,618,812	1,594,498
Pensions and Compensation	47,048.96	2,123.00	.....	.....	.....	.....	.....	.....	.....	.....
Insurance	3,919,551.29	4,457,047.00	7,519,353.77	8,285,240.80	10,516,145	10,918,329	11,880,452	12,541,720	13,527,239	13,761,938
Judgments and Losses	17,947.98	34,483.47	57,147.97	56,543.48	37,177	79,589	21,749	213,370	125,789	209,633
Support of Public Service	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Enterprises:										
City Project	2,079,484.21	6,836,067	.....	.....	.....	.....	.....	.....	.....	.....
Airport	420,332.69	891,489.22	1,504,236.56	2,632,670.00	2,966,290	2,994,780	1,712,594	1,604,442	1,465,459	1,890,856
Municipal Railway	.....	.....	.....	2,461,249.14	.....	1,062,032	2,384,117	9,000*	.....	2,932,848
Public Utilities Commission:										
Light, Heat and Power	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Capital Projects:										
Fire	2,121,018.17	2,735,944.71	2,984,764.38	1,022,824.77	28,679	213,740	65,136	1,812	139,379	145,615
Civilian Defense	152,717.60	31,188.55	2,893.96	4,103,630.48	5,034,158	7,861,813	3,621,933	3,177,008	5,077,778	5,435,778
Assessments, Other Civil	146,192.85	198,210.00	181,598.36	170,342.08	171,825	190,383	169,133	99,000	99,000	336,113
Divisions	1,266,933.21	2,432,511.38	733,508.34	1,817,305.93	1,409,910*	274,018	8	761,785	1,049,231*	820,044*
Miscellaneous, net	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total Expenditures	\$62,900,768.02	\$73,373,778.17	\$85,083,098.95	\$96,919,615.29	\$101,501,574	\$118,090,320	\$122,586,674	\$127,203,977	\$135,730,407	\$144,510,750

\*Denotes Credit.

(a) Centes Omitted.

CITY AND COUNTY OF SAN FRANCISCO  
WATER DEPARTMENT

STATEMENT OF OPERATIONS

Fiscal Years 1946-46 to 1954-55

FISCAL YEAR ENDED JUNE 30

	1946	1947	1948	1949	1950	1951	1952	1953 (a)	1954 (a)	1955 (a)
Water Sales .....	\$10,040,169.37	\$10,519,351.35	\$10,614,577.04	\$10,932,354.55	\$10,151,099.50	\$10,798,833.90	\$11,351,399.94	\$11,804,318	\$12,133,574	\$12,683,906
Operating Expenses:										
Provision for Depreciation...	979,233.30	888,180.86	891,767.46	889,337.61	906,404.87	940,078.04	948,787.58	970,779	1,077,970	1,178,805
Other Operating Expenses...	3,166,965.09	6,591,925.78	6,795,039.29	7,333,010.93	6,431,285.62	6,372,332.92	6,512,562.53	6,910,530	7,315,650	8,109,677
	4,146,198.39	7,480,106.64	7,686,806.75	8,222,348.54	7,337,690.49	7,312,410.96	7,461,350.11	7,881,309	8,393,620	9,288,482
Profit from Operations.....	5,893,970.98	3,039,244.71	2,927,770.29	2,710,006.01	2,813,409.01	3,486,422.94	3,890,049.83	3,923,009	3,739,954	3,395,424
Other Income .....	168,944.63	210,773.60	179,913.15	245,393.36	201,651.22	237,246.98	313,604.11	382,030	923,093	578,909
	6,062,915.61	3,250,018.31	3,107,685.44	2,955,399.37	3,015,060.23	3,723,669.92	4,203,653.94	4,305,039	4,663,047	3,974,333
Other Expenses:										
Interest on Bonded Debt.....	1,314,303.33	1,246,783.33	1,179,263.34	1,111,743.33	1,052,577.44	984,957.50	928,586.17	986,083	914,115	875,664
Other .....	47,637.39	58,501.51	40,027.25	50,879.92	44,439.43	44,874.53	65,148.01	72,538	60,058	83,724
	1,361,940.72	1,305,284.84	1,219,290.59	1,162,623.25	1,097,016.87	1,029,832.03	993,734.18	1,058,621	974,173	959,388
Net Income .....	\$ 4,700,974.89	\$ 1,944,733.47	\$ 1,888,394.85	\$ 1,792,976.12	\$ 1,918,043.36	\$ 2,693,837.89	\$ 3,209,919.76	\$ 3,246,418	\$ 3,688,874	\$ 3,014,945

(a) Cents Omitted.



CITY AND COUNTY OF SAN FRANCISCO  
HETCH HETCHY WATER SUPPLY AND POWER PROJECT  
STATEMENT OF OPERATIONS  
Fiscal Years 1945-46 to 1954-55

	FISCAL YEAR ENDED JUNE 30										
	1946	1947	1948	1949	1950	1951	1952	1953 (a)	1954 (a)	1955 (a)	
Power Sales .....	\$3,058,669.80	\$3,319,004.76	\$3,392,272.27	\$3,390,905.66	\$3,322,439.95	\$3,439,372.12	\$4,009,143.65	\$4,617,981	\$4,289,746	\$4,526,289	
Standby Charge and Sale of Water to the S. F. Water Dept .....	661,277.00	3,731,908.00	3,533,700.00	3,780,804.29	3,588,504.63	3,575,046.00	3,445,250.00	3,545,590	3,545,590	4,030,000	
	3,719,946.80	7,050,912.76	6,925,972.27	7,171,709.95	6,910,944.58	7,014,418.12	7,454,393.65	8,163,571	7,835,336	8,556,289	
Operating Expenses:											
Provision for Depreciation .....	1,520,856.59	1,518,809.10	1,514,979.47	1,509,904.71	1,507,862.87	1,696,960.13	1,697,308.11	1,710,305	1,811,945	1,825,007	
Other Operating Expenses .....	1,408,026.83	1,576,200.79	1,869,609.69	1,761,431.01	1,886,543.66	1,824,901.18	2,421,267.67	2,900,321	2,783,817	3,226,122	
	2,928,883.42	3,095,009.89	3,384,589.16	3,271,335.72	3,394,406.53	3,521,861.31	4,118,575.78	4,610,626	4,595,762	5,051,129	
Profit from Operations .....	791,043.38	3,955,902.87	3,541,383.11	3,900,374.23	3,516,538.05	3,492,556.81	3,335,817.87	3,552,945	3,239,574	3,505,160	
Other Income .....	8,975.48	19,065.14	22,833.35	23,435.68	29,455.94	29,175.91	69,512.59	65,315	56,767	41,715	
	800,038.86	3,974,968.01	3,564,216.46	3,923,809.91	3,545,993.99	3,521,732.72	3,405,330.46	3,618,260	3,296,341	3,546,875	
Other Expenses:											
Interest on Bonded Debt .....	2,336,295.22	2,233,977.70	2,131,660.21	2,029,342.71	1,927,557.47	1,962,307.62	1,849,954.77	1,787,239	1,706,321	1,572,251	
Other .....	116,029.64	87,910.45	.....	.....	.....	.....	2,248.68	2,354	.....	16,490	
	2,452,324.86	2,321,888.15	2,131,660.21	2,029,342.71	1,927,557.47	1,962,307.62	1,852,203.45	1,789,593	1,706,321	1,588,741	
Net Income .....	\$1,652,286.00*	\$1,653,079.86	\$1,432,556.25	\$1,894,467.20	\$1,618,436.52	\$1,559,425.10	\$1,553,127.01	\$1,828,667	\$1,590,020	\$1,938,134	

\*Denotes Loss.  
(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO  
MUNICIPAL RAILWAY

STATEMENT OF OPERATIONS  
Fiscal Years 1946-48 to 1954-55

FISCAL YEAR ENDED JUNE 30

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
Revenues .....	\$17,444,932.19	\$19,038,755.53	\$18,321,581.91	\$18,592,096.33	\$18,575,307.83	\$18,028,977.29	\$18,242,353.37	\$23,491,980.98	\$22,137,625.17	\$21,087,543.29
Operating Expenses:										
Depreciation .....	1,018,793.44	1,073,837.58	1,087,841.45	1,450,311.34	1,833,451.30	1,710,397.02	1,774,354.44	1,878,593.34	1,814,263.97	1,732,383.04
Other Operating Expenses .....	15,105,224.56	18,483,636.08	18,539,561.76	19,398,286.27	18,844,625.83	17,827,490.01	19,264,096.72	20,972,373.54	20,867,915.18	20,285,821.91
	16,124,018.00	19,557,473.66	19,627,403.21	20,848,597.61	20,678,077.13	19,537,887.03	21,038,451.16	22,850,966.88	22,682,179.15	22,018,204.95
Profit from Operations .....	1,320,914.19	518,718.13*	1,305,821.30*	2,256,501.28*	2,102,769.30*	1,508,909.74*	2,796,097.79*	641,014.10	544,553.98*	930,661.66*
Other Income .....	5,359.95	51,678.23	10,519.31	13,064.57	287,177.18	359,890.20	24,243.33	154,071.82	24,498.31	56,617.87
	1,326,274.14	467,039.90*	1,295,301.99*	2,243,435.71*	1,815,592.12*	1,149,019.54*	2,771,854.46*	795,085.92	520,055.67*	874,043.79*
Other Expenses:										
Interest on Market Street Railway purchase .....	119,808.08	85,721.02	64,725.99	.....	.....	.....	.....	.....	.....	.....
Interest on Bonded Debt .....	37,083.33	32,083.34	30,727.50	107,194.79	259,419.92	284,605.13	287,001.45	295,796.52	271,215.08	249,193.47
Other .....	78,085.29	.....	202,926.02	137,716.09	.....	96,784.97	58,471.67	1,320.47	91,202.15	29,840.93
	234,976.70	117,804.36	298,379.51	244,910.88	259,419.92	381,390.10	345,473.12	297,116.99	362,417.23	279,034.40
Net Income .....	\$1,091,297.44	\$ 584,844.26*	\$ 1,593,681.50*	\$ 2,488,347.59*	\$ 2,075,012.04*	\$ 1,530,409.64*	\$ 3,117,327.58*	\$ 497,968.93	\$ 882,472.90*	\$ 1,153,078.19*

\*Denotes Loss.

CITY AND COUNTY OF SAN FRANCISCO  
AIRPORT

STATEMENT OF OPERATIONS  
Fiscal Years 1945-46 to 1954-55

FISCAL YEAR ENDED JUNE 30

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
Revenues:										
Landing Charges	\$ 48,196.55	\$ 90,375.37	\$ 118,658.26	\$ 130,101.09	\$ 155,233.76	\$ 213,317.28	\$ 293,517.92	\$ 340,008.82	\$ 422,577.78	\$ 444,124.65
Rentals	43,199.02	98,219.64	143,041.93	98,308.75	118,759.03	135,241.60	157,800.59	181,356.96	212,851.71	657,339.69
Other	17,668.14	99,430.73	101,127.58	195,573.44	246,869.66	298,727.32	380,556.80	469,125.99	528,949.11	1,028,036.66
	109,063.71	288,025.74	362,827.77	423,983.28	520,862.45	647,286.20	831,875.31	990,491.77	1,164,378.60	2,129,501.00
Operating Expenses:										
Other Operating Expenses	214,777.76	434,979.48	434,958.82	638,043.10	648,646.19	823,339.87	832,193.45	811,347.59	718,388.20	730,489.68
Other Operating Expenses	147,634.22	254,921.49	388,833.69	506,176.63	571,061.36	583,435.30	584,750.31	634,630.55	703,119.80	1,162,997.86
	362,411.98	689,900.97	823,792.51	1,144,219.73	1,219,707.55	1,406,775.17	1,416,943.76	1,445,978.14	1,421,508.00	1,893,487.54
Profit from Operations:	253,348.27*	401,875.23*	460,964.74*	720,236.45*	698,845.10*	759,488.97*	585,068.45*	455,486.37*	257,129.40*	236,013.46
Other Income	12,727.07	18,933.88	25,907.75	30,185.17	25,353.19	33,725.10	31,936.16	29,440.08	59,591.74	102,875.46
	240,621.20*	382,941.35*	435,056.99*	690,051.28*	673,491.91*	725,763.87*	553,132.29*	426,046.29*	197,537.66*	338,888.92
Interest on Bonded Debt	16,797.01	13,188.56	29,303.68	106,390.54	87,584.53	120,900.41	134,091.68	116,542.44	99,108.12	138,586.88
Other Expenses						2,481.22	15,151.13	(20,253.67)	185,139.94	89,037.72
	16,797.01	13,188.56	29,303.68	106,390.54	87,584.53	123,381.63	149,242.81	96,288.77	284,248.06	227,624.60
Net Income	\$257,418.21*	\$396,129.91*	\$464,360.67*	\$796,441.82*	\$761,076.44*	\$849,145.30*	\$702,375.10*	\$522,335.06*	\$481,785.72*	\$11,264.32

\* Denotes Loss

CITY AND COUNTY OF SAN FRANCISCO  
ADDITIONS TO PROPERTY TAX  
FOR THE 10 YEAR PERIOD JULY 1, 1945 TO JUNE 30, 1955

	Increase or Decrease			Balances - June 30, 1955		
	Total	Land	Buildings Structures & Improvements	Total	Land	Buildings Structures & Improvements
<b>GENERAL GOVERNMENT</b>						
Civic Center, Incl. City Hall	\$ 917,468.61	\$	\$ 3,000.00*	\$ 813,931.96	\$ 2,232,954.63	\$ 4,202,703.15
<b>PUBLIC SAFETY</b>						
Fire Dept.	2,977,222.35	175,408.53	2,243,364.29	558,447.53	815,272.09	11,081,088.55
Police Dept.	1,065,389.47	8,494.00	119,303.31	936,592.16	753,925.10	2,085,912.93
Dept. of Electricity	70,185.15	-	4,960.42	71,285.53	44,000.00	728,053.82
<b>SEWERAGE</b>						
Streets, Tunnels, Bridges etc.	35,240,880.49	3,773,230.84	31,192,925.71	274,663.94	11,364,946.98	87,463,900.27
Asphalt Plant	489,580.28	860,704.41	-	-	704,312.85	529,580.28
Off-Street Parking	912,109.19	-	51,324.78	-	860,704.41	51,324.78
<b>SEWERS</b>						
Street & Sewage Disposal Plants	37,271,292.73	1,682,617.68	35,328,644.61	260,030.44	59,179,512.39	57,018,781.02
Street Cleaning Dept.	298,309.98	-	-	298,309.98	669,083.34	393,398.59
Garbage Incinerator	-	-	-	-	80,142.60	66,142.60
<b>HEALTH CONSERVATION</b>						
Heather Health Home	75,864.38	-	19,387.11	57,437.27	1,325,918.17	1,132,136.70
Civic Center Health Bldg.	212,932.54	575.00*	212,751.75	1,377,602.01	158,013.49	908,744.80
Recreation Health Center	76,480.08	2,200.00*	75,086.71	27,866.59	44,447.50	85,618.16
Other	-	-	-	-	145,780.00	87,155.51
<b>HOSPITALS</b>						
San Francisco Hospital	1,263,874.61	19,630.00*	796,288.38	1,687,216.23	7,691,891.38	5,735,873.51
Emergency Hospital	69,457.12	-	-	69,457.12	10,999.70	82,969.15
<b>PUBLIC WELFARE</b>						
California Home	1,686,693.13	4,937.85*	270,811.57	5,544,855.66	95,049.15	4,715,396.08
S. P. Welfare Dept.	377,082.79	137,500.00	162,500.00	77,082.79	390,733.02	182,500.00
<b>CORRECTIONS</b>						
County Jails	31,766.85	-	14,896.84	16,870.01	882,810.96	38,156.52
Juvenile Detention Home - Old	92,303.72	50,400.00	4,209,931.11	57,314.77	366,145.84	215,144.16
Youth Guidance Center	4,334,752.53	-	122,783.66	4,334,752.53	50,400.00	4,209,931.11
Juvenile Log Cabin Ranch	150,652.25	-	-	27,866.59	198,631.67	185,653.19
<b>SCHOOLS</b>						
48,706,145.42	48,706,145.42	48,706,145.42	39,533,071.81	4,956,590.52	14,815,927.11	77,711,008.92
<b>LIBRARIES</b>						
505,432.48	505,432.48	505,432.48	1,006,585.88	90,965.47	3,978,661.96	1,873,412.32
<b>RECREATION</b>						
Playgrounds & Swimming Pools	7,226,049.04	729,891.95	6,190,288.57	305,568.52	11,928,731.91	7,953,151.01
Museums, Art Galleries etc.	517,381.57	-	420,211.01	127,164.56	1,087,396.52	1,584,752.63
Parks & Squares	2,280,793.17	570,208.00	1,142,313.90	3,755,584.91	1,653,187.30	7,039,117.78
Auditorium	37,662.65	-	28,093.48	9,569.17	20,534,403.11	682,149.41
Golf Links	622,149.96	8,175.00*	630,324.96	-	701,437.00	11,554,765.54
Kezar Stadium	360,675.74	125,822.68	234,853.06	-	745,205.48	1,024,284.48
<b>OTHER</b>						
Central Warehouse & Corporation Yard	716,449.79	65,082.36	651,387.43	-	1,006,680.00	769,273.02
Retirement System	55,525.20	-	55,525.20	-	706.70	706.70
Miscellaneous	398,923.08	23,463.22*	117,933.79	274,622.51	195,511.54	255,366.02
<b>Total</b>	\$117,856,896.48	\$12,357,228.60	\$124,869,796.45	\$10,629,871.43	\$60,236,037.10	\$27,851,478.38

CITY AND COUNTY OF SAN FRANCISCO  
ADDITIONS TO PROPERTIES - BY SOURCE OF FUNDS  
FOR THE 10 YEAR PERIOD JULY 1, 1945 TO JUNE 30, 1955

Source of Funds:	Total	Land	Buildings & Improvements	Equipment
<b>Current Funds:</b>				
General Fund	\$ 11,397,584.18	\$ 230,276.31	\$ 6,698,577.04	\$ 4,168,730.83
Recreation and Park	3,295,673.81	1,108,184.82	1,756,272.67	130,916.32
Library	512,042.10	16,666.88	403,316.88	91,064.34
War Memorial	15,142.76		12,971.34	2,169.42
California Palace Legion of Honor	69,811.26		42,165.42	27,645.84
de Young Memorial Museum	470,166.64		376,413.96	93,752.68
Publicity and Advertising	300.00			300.00
Special Road Improvement	7,704,903.97	785,936.08	6,672,192.21	246,175.68
Special Gas Tax Street Improvement	8,943,205.87	2,420,908.71	6,510,212.51	1,012,084.65
San Francisco Unified School District	8,318,036.34	2,429,528.45	2,487,011.65	3,401,396.24
Special Accumulative Building Fund - Schools	1,018,309.91	528,103.21	190,206.70	
Child Care Centers	9,328.63			9,328.63
	11,754,805.77	7,220,001.46	25,449,036.38	8,786,164.93
<b>Capital Funds:</b>				
Real Property, General City	994,761.26*	794,807.70*	199,953.56*	
Real Property, S. F. U. S. D.	28,471.62	256,119.69	227,648.07*	
1927 Boulevards Bond Fund	135,563.80	3,984.03*	139,547.83	1,051.65
1929 Hospitals Bond Fund	1,051.65			
1931 Parks & Squares Bond Fund	2,159.56		2,159.56	
1933 Sewers Bond Fund	124.87	30.00		
1936 Hospitals Bond Fund	4,354.55		4,354.55	
1942 Fire Protection Bond Fund	2,567.57*			
1944 Sewers Bond Fund	21,176,002.31	1,612,617.62	19,559,456.53	5,422.25
1944-46 Juvenile Home & Court Bond Fund	4,254,227.40		4,254,227.40	3,925.99
1947 Street Improvement Bond Fund	15,556,500.66		15,250,282.98	57,949.77
1947 Recreation Bond Fund	7,863,623.52		6,751,660.78	3,266.65
1947 Off-Street Parking Bond Fund	934,011.15		6,751,660.78	180,946.56
1948 Sewage Treatment Bond Fund	13,326,404.73	860,784.41	12,465,613.03	10,815.84
1948 Schools Bond Fund	39,591,075.01	67,045.66	36,925,704.22	1,546,267.27
1949 Firehouse Bond Fund	1,429,075.01	113,651.05	1,315,423.96	
1951 Leona Bond Fund	18,888.28		18,888.28	
1951 Leona Bond Fund	129,999.32		129,999.32	598.19
1951 San Francisco Hospital Bond Fund	47,572.20		476.63	
Miscellaneous	47,572.20	47,597.80*		493.37
	103,119,135.76	4,256,851.62	97,079,878.54	1,812,999.74
<b>Trust Funds:</b>				
State Highway Trust	2,867,123.25	529,841.72	2,337,281.53	706.76
Retirement System	20,231.76	15,525.00	4,000.00	
Sigmond Stern - Donation	15,000.00	15,000.00		
Metropolitan Life Insurance Co. - Donation	20,000.00	20,000.00		
	2,922,355.01	580,368.72	2,341,981.53	706.76
<b>Total Additions</b>	\$117,856,896.48	\$12,357,228.60	\$124,869,796.45	\$10,629,871.43

Minor Decreases



## CITY AND COUNTY OF SAN FRANCISCO

## ASSESSMENT ROLLS

Fiscal Years 1945-46 to 1955-56

Fiscal Year	Roll	Assessed By					Total Assessed Value Subject to City & Co. Ad Valorem		Solvent Credits Taxed @		Total Roll
			Land	Improvements	Tangible Personal Property	Veterans' Welfare and Other Exemptions	Rate	Rate	10¢ per \$100		
1945-46	Unsecured - City and County Assessor...				98,182,638		98,182,638	4.69	306,612,656	404,795,294	
	Secured - City and County Assessor...		295,953,215	371,683,405	5,884,172	8,684,634	664,836,158	4.83	10,681,189	675,517,347	
	Secured - State Board of Equalization...		11,365,640	40,280,850	31,957,590		83,604,080	4.83	52,758,150	136,362,230	
	Total.....		\$307,318,855	\$411,964,255	\$136,024,400	\$ 8,684,634	\$ 846,622,876		\$370,051,995	\$1,216,674,871	
1946-47	Unsecured - City and County Assessor...				110,180,654		110,180,654	4.83	291,963,083	402,143,737	
	Secured - City and County Assessor...		297,150,419	379,741,290	5,517,536	16,967,838	665,441,407	5.55	9,112,900	674,554,307	
	Secured - State Board of Equalization...		11,291,570	41,736,690	32,055,820		85,084,080	5.55	62,005,210	147,089,290	
	Total.....		\$308,441,989	\$421,477,980	\$147,754,010	\$16,967,838	\$ 860,706,141		\$363,081,193	\$1,223,787,334	
1947-48	Unsecured - City and County Assessor...				150,379,489	4,464,748	145,914,741	5.55	328,391,141	474,305,882	
	Secured - City and County Assessor...		304,975,992	403,718,630	4,811,461	34,899,392	678,606,691	5.62	7,769,526	686,376,217	
	Secured - State Board of Equalization...		11,441,450	43,692,360	33,962,940		89,096,750	5.62	32,033,180	121,129,930	
	Total.....		\$316,417,442	\$447,410,990	\$189,153,890	\$39,364,140	\$ 913,618,182		\$368,193,847	\$1,281,812,029	
1948-49	Unsecured - City and County Assessor...				176,254,123	2,170,550	174,083,573	5.62	388,793,008	562,876,581	
	Secured - City and County Assessor...		333,507,884	426,062,240	7,052,890	37,269,790	729,353,224	6.09	8,097,591	737,450,815	
	Secured - State Board of Equalization...		11,566,170	49,385,230	35,695,010		96,646,410	6.09	33,209,320	129,855,730	
	Total.....		\$345,074,054	\$475,447,470	\$219,002,023	\$39,440,340	\$1,000,083,207		\$430,099,919	\$1,430,183,126	
1949-50	Unsecured - City and County Assessor...				187,081,075	2,368,931	184,712,144	6.09	413,302,218	598,014,362	
	Secured - City and County Assessor...		338,327,522	447,097,465	7,996,786	39,773,711	753,648,062	5.66	10,463,329	797,611,391	
	Secured - State Board of Equalization...		11,634,050	60,668,540	40,147,520		112,470,110	5.66	34,463,430	146,933,540	
	Total.....		\$349,961,572	\$507,786,005	\$235,225,381	\$42,142,642	\$1,050,830,316		\$458,228,977	\$1,509,059,293	
1950-51	Unsecured - City and County Assessor...				174,987,355	2,460,275	172,527,080	5.66	446,958,945	619,486,025	
	Secured - City and County Assessor...		338,486,080	468,437,890	10,373,612	42,988,325	774,309,257	6.29	7,389,121	781,698,378	
	Secured - State Board of Equalization...		11,594,320	64,845,380	38,418,540		114,858,240	6.29	41,805,700	156,663,940	
	Total.....		\$350,080,400	\$533,283,270	\$223,779,507	\$45,448,600	\$1,061,694,577		\$496,153,766	\$1,557,848,343	
1951-52	Unsecured - City and County Assessor...				199,089,454	2,242,564	196,846,890	6.29	541,279,205	738,126,095	
	Secured - City and County Assessor...		340,439,080	492,967,440	13,490,816	46,503,330	800,393,806	6.19	9,174,744	809,568,550	
	Secured - State Board of Equalization...		15,762,340	66,620,930	41,853,110		124,236,380	6.19	58,641,660	182,878,040	
	Total.....		\$356,201,420	\$559,588,370	\$254,433,380	\$48,746,094	\$1,121,477,076		\$609,095,609	\$1,730,572,685	
1952-53	Unsecured - City and County Assessor...				220,812,645	2,086,937	218,725,708	6.19	571,045,856	789,771,564	
	Secured - City and County Assessor...		348,660,965	530,992,235	12,794,831	44,981,574	847,466,457	5.67	8,388,619	855,855,076	
	Secured - State Board of Equalization...		16,714,810	67,703,770	44,590,910		129,009,490	5.67	50,655,040	179,664,530	
	Total.....		\$365,375,775	\$598,696,005	\$278,198,386	\$47,068,511	\$1,195,201,655		\$630,089,515	\$1,825,291,170	
1953-54	Unsecured - City and County Assessor...				232,302,098	2,014,395	230,287,703	5.67	598,586,730	828,874,433	
	Secured - City and County Assessor...		350,820,577	548,705,058	8,114,636	49,911,533	857,728,738	6.27	5,772,285	863,501,023	
	Secured - State Board of Equalization...		16,799,640	68,685,230	47,872,160		133,357,030	6.27	59,152,340	192,509,370	
	Total.....		\$367,620,217	\$617,390,288	\$288,288,894	\$51,925,928	\$1,221,373,471		\$663,511,355	\$1,884,884,826	
1954-55	Unsecured - City and County Assessor...				233,165,805	2,385,376	230,780,429	6.27	658,769,128	889,549,557	
	Secured - City and County Assessor...		351,797,115	562,069,670	9,133,322	53,599,964	869,400,143	6.85	11,636,238	881,036,381	
	Secured - State Board of Equalization...		16,750,680	72,376,320	49,673,340		138,800,340	6.85	55,227,520	194,027,860	
	Total.....		\$368,547,795	\$634,445,990	\$291,972,467	\$55,985,340	\$1,238,980,912		\$725,632,886	\$1,964,613,798	
1955-56	Unsecured - City and County Assessor...				235,577,529	2,253,342	233,324,187	6.85	715,284,484	948,606,671	
	Secured - City and County Assessor...		353,884,456	582,012,805	9,090,434	54,527,921	890,459,774	7.02	7,918,999	898,378,773	
	Secured - State Board of Equalization...		16,950,530	74,339,330	48,923,710		140,413,570	7.02	58,884,680	199,289,250	
	Total.....		\$370,834,986	\$656,552,135	\$293,591,673	\$56,781,263	\$1,264,197,531		\$782,088,163	\$2,046,285,694	

## CITY AND COUNTY OF SAN FRANCISCO

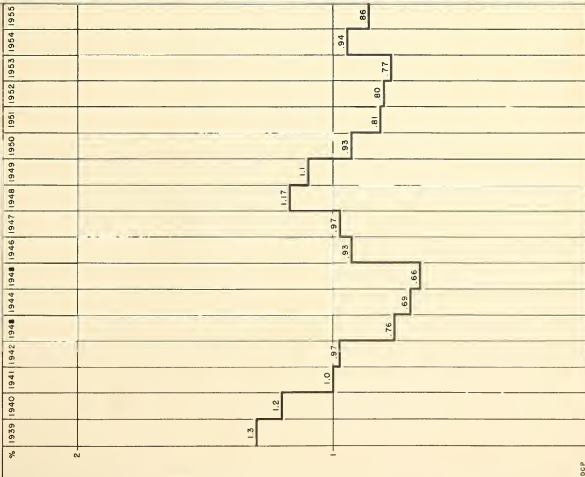
## DETAIL OF TAX RATES

Fiscal Years 1946-47 to 1955-56

	1946-47	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56
General Fund - Charter Limit \$1.65 . . . . .	1.606739	1.228896	1.126318	1.261335	1.288331	1.181879	1.100226	1.127311	1.026134	.976736
General Fund - Other Necessary Expenditures Not Limited . . . . .	.886788	1.332376	1.415456	1.320391	1.481594	1.446522	1.351770	1.738365	2.111081	2.202325
Unified School District . . . . .	1.225865	1.366733	1.645139	1.299661	1.562837	1.702265	1.608920	1.682564	1.569888	1.754236
Recreation . . . . .	.148002	.128131	.139433	.126423	.....	.....	.....	.....	.....	.....
Park . . . . .	.231787	.194877	.272223	.203699	.....	.....	.....	.....	.....	.....
Recreation and Park . . . . .	.092736	.079649	.085277	.079214	.103886	.083429	.084568	.086696	.093976	.103168
Library . . . . .	.415228	.607937	.572093	.761183	.728602	.768251	.727307	.774782	.868473	.858667
Employees' Retirement . . . . .	.562023	.427027	.345373	.232312	.257541	.225908	.166542	.184849	.309244	.287207
Bond Interest and Redemption . . . . .	.028140	.024749	.046452	.019540	.041135	.020559	.025020	.035008	.023888	.025787
de Young Museum . . . . .	.023237	.015741	.021058	.015458	.015651	.017172	.016888	.018072	.018568	.017771
California Palace of the Legion of Honor . . . . .	.030623	.014676	.019291	.017742	.021101	.016755	.017447	.017548	.018690	.018530
War Memorial . . . . .	.036508	.031683	.027403	.026161	.026098	.024423	.022763	.022529	.021227	.020999
Publicity and Advertising . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....	.002842
Tax Judgments . . . . .	.....	.....	.....	.....	.....	.008818	.014731	.016049	.008877	.014446
Child Care Centers . . . . .	.....	.....	.....	.....	.....	.....	.000267	.....	.....	.....
Special Election Fund . . . . .	.006512	.....	.....	.....	.000100	.....	.....	.....	.....	.....
Interest on Tax Anticipation Notes . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Lighting Public Streets and Buildings . . . . .	.150632	.130660	.129071	.093146	.103213	.094888	.095479	.106698	.103809	.099317
Airport . . . . .	.111692	.030353	.030325	.203735	.190286	.118155	.137666	.116020	.161256	.040926
Hetch Hetchy Water Supply . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Municipal Railway . . . . .	.....	.....	.215088	.....	.119469	.170008	.....	.....	.206237	.254298
P. U. C. Purchase of California St. Cable R. R. Co. . . . .	.....	.....	.....	.....	.016870	.....	.....	.....	.....	.....
Contribution to Purchase Butano Forest . . . . .	.....	.....	.....	.....	.....	.....	.....	.010090	.....	.....
Total Levy . . . . .	5.55	5.62	6.09	5.66	6.29	6.19	5.67	6.27	6.85	7.02

# CITY AND COUNTY OF SAN FRANCISCO PERCENTAGES OF TAX DELINQUENCY

FOR FISCAL YEARS ENDING



Dep

H. D. ROSS, CONTROLLER

## CITY AND COUNTY OF SAN FRANCISCO AMOUNTS OF TAX LEVIES AND DELINQUENCIES Fiscal Years 1931-32 to 1954-55

Fiscal Year	Amount of Levy	Uncollected at June 30, %	Uncollected at June 30, Amount	Uncollected at June 30, 1955 %
1931-32	\$32,714,463	2.20	\$ 718,830	.05
1932-33	31,792,726	5.37	1,705,581	.72
1933-34	26,583,270	4.95	1,316,869	.61
1934-35	28,808,183	3.33	958,096	.09
1935-36	30,634,662	2.00	612,784	.08
1936-37	30,986,643	1.45	449,704	.07
1937-38	31,994,075	1.50	483,081	.10
1938-39	33,337,812	1.32	442,132	.06
1939-40	32,575,922	1.19	390,407	.08
1940-41	35,162,785	1.04	367,339	.12
1941-42	36,469,225	.97	354,994	.18
1942-43	37,469,083	.76	288,158	.16
1943-44	36,797,771	.69	254,508	.13
1944-45	39,647,406	.66	262,652	.09
1945-46	41,184,389	.93	380,975	.09
1946-47	47,374,328	.97	457,779	.11
1947-48	51,718,354	1.17	602,680	.18
1948-49	60,779,270	1.10	669,631	.18
1949-50	60,898,563	.93	567,617	.15
1950-51	66,522,057	.81	537,393	.13
1951-52	70,596,215	.80	561,703	.18
1952-53	69,947,162	.77	539,325	.21
1953-54	76,082,542	.94	716,632	.39
1954-55	84,509,028	.86	724,612	.86

## CITY AND COUNTY OF SAN FRANCISCO

## TAX YIELD

FISCAL YEAR 1955-56

	<u>VALUATION</u>	<u>TAX YIELD</u>	<u>RATE Per \$100</u>
Taxes on property assessed by City and County:			
Real Estate, Improvements, and Secured Personal Property:			
Real Estate and Improvements	\$935,897,261		
Tangible Personal Property	9,090,434		
Less Veterans' and Welfare Exemptions	<u>54,527,921</u>		
	\$890,459,774	\$ 62,510,553.18	7.02
Solvent Credits	<u>7,918,999</u>	<u>7,918.04</u>	.10
Total	<u>898,378,773</u>	<u>62,518,471.22</u>	
Unsecured Personal Property(Collected):			
Tangible Personal Property	70,729,566		
Less Veterans' and Welfare Exemptions	<u>1,724,417</u>		
	69,005,149	4,726,917.67	6.85
Solvent Credits	<u>383,774,650</u>	<u>383,784.89</u>	.10
Total	<u>452,779,799</u>	<u>5,110,702.56</u>	
Unsecured Personal Property (Uncollected):			
Tangible Personal Property	164,847,963		
Less Veterans' and Welfare Exemptions	<u>528,925</u>		
	164,319,038	11,255,889.58	6.85
Solvent Credits	<u>331,509,834</u>	<u>331,514.18</u>	.10
Total	<u>495,828,872</u>	<u>11,587,403.76</u>	
Total Assessed by City and County Assessor			
Taxes on property Assessed by State Board of Equalization:			
Real Estate and Improvements	91,489,860		
Tangible Personal Property	48,923,710	9,857,032.66	7.02
Solvent Credits	<u>58,884,680</u>	<u>58,884.68</u>	.10
Total Assessed by State Board of Equalization	<u>199,298,250</u>	<u>9,915,917.34</u>	
Total of Above Assessments	<u>\$2,046,285,694</u>		
Total Tax Yield 1955-56		89,132,494.88	
Reassessments		<u>484.66</u>	
TOTAL TAX YIELD		\$89,132,979.54	

## CITY AND COUNTY OF SAN FRANCISCO

## STATEMENT OF BONDING CAPACITY

AT JUNE 30, 1955

## Maximum Limit:

12% of 1955-56 Assessment Roll (\$2,046,285,694)	\$245,554,283
--	---------------

## Bonded Debt Not Matured June 30, 1955

Total	\$179,792,000	
Exempt from 12% Limit (a)	<u>67,788,000</u>	<u>112,004,000</u>
Limit of Future Bond Sales (Subject to 12% Limit)		<u>\$133,550,283</u>

## Unissued (Unsold) Bonds, June 30, 1955:

	<u>Subject to 12% Limit</u>	<u>Exempt from 12% Limit</u>	<u>Total</u>
1947 Street Improvement	\$ 6,950,000		
1947 Off-Street Parking	4,000,000		
1947 Recreation	2,670,000		
1948 Sewage Treatment	1,450,000		
1948 Schools	990,000		
1952 Firehouse	2,950,000		
1954 Sewers	12,645,000		
1954 Exhibit Hall	3,275,000		
1954 Recreation Center	5,000,000		
1954 S. F. Hospital	5,830,000		
1954 Laguna Honda Home & Hospital	<u>5,475,000</u>		
	<u>\$51,235,000</u>	<u>-0-</u>	<u>\$51,235,000</u>

- (a) Section 104 of the Charter provides that the bonded debt shall not exceed 12% of the assessed value of all real and personal property in the City and County subject to the City and County taxes, exclusive of bonds issued for the following purposes:

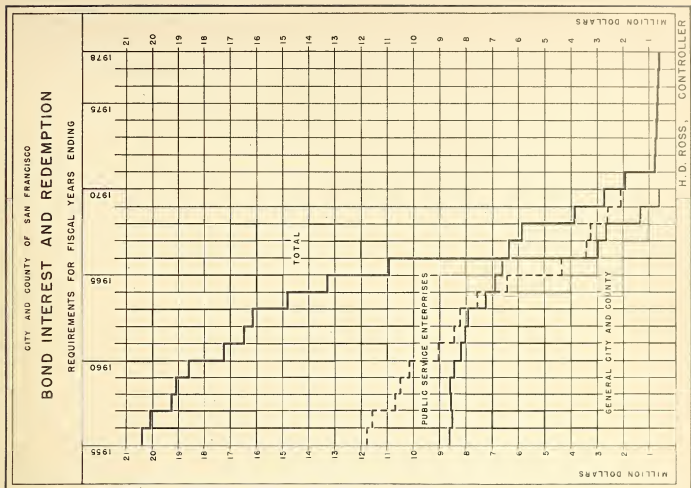
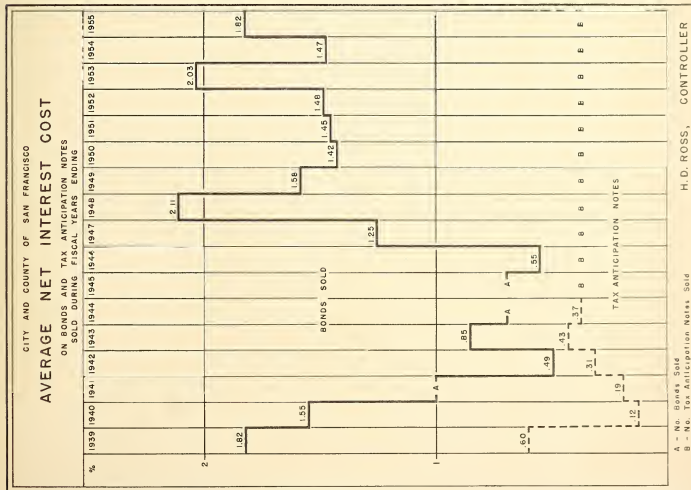
For water supply, storage, or distribution purposes.

For financing public improvements, the cost of which is to be assessed against private property benefited thereby. (To date no such bonds have been issued.)

CITY AND COUNTY OF SAN FRANCISCO  
ANNUAL BOND INTEREST AND REDEMPTION REQUIREMENTS  
BASED UPON BONDED INDEBTEDNESS AT JUNE 30, 1955

Fiscal Year	General City, Including S. F. Unified School District			Public Service Enterprises		
	Grand Total	Total	Bond Redemption	Total	Bond Redemption	Bond Interest
1955-56	\$ 20,412,186.25	\$ 8,638,636.25	\$ 7,018,000	\$ 11,773,550.00	\$ 8,945,000	\$ 2,828,550.00
1956-57	20,073,746.25	8,521,670.00	7,062,000	11,552,076.25	8,951,000	2,601,076.25
1957-58	19,253,916.25	8,553,336.25	7,237,000	10,700,580.00	8,314,000	2,386,580.00
1958-59	19,085,042.50	8,587,700.00	7,416,000	10,497,312.50	8,334,000	2,163,312.50
1959-60	18,596,446.25	8,444,873.75	7,411,000	10,151,572.50	8,214,000	1,937,572.50
1960-61	17,229,913.75	8,202,611.25	7,311,000	9,927,332.50	7,314,000	1,713,332.50
1961-62	16,493,148.75	8,060,661.25	7,311,000	9,432,187.50	6,930,000	1,502,187.50
1962-63	16,146,188.75	7,923,303.75	7,310,000	8,222,885.00	6,929,000	1,293,885.00
1963-64	14,818,375.00	7,238,122.50	6,762,000	7,580,252.50	6,496,000	1,084,252.50
1964-65	13,272,800.00	6,850,175.00	6,497,000	6,422,625.00	5,531,000	891,625.00
1965-66	10,944,598.75	6,610,647.50	6,366,000	4,332,951.25	3,593,000	740,951.25
1966-67	6,308,168.75	2,933,987.50	2,805,000	3,374,181.25	2,750,000	624,181.25
1967-68	5,846,236.25	2,581,925.00	2,515,000	3,264,311.25	2,750,000	511,311.25
1968-69	3,871,447.50	1,305,125.00	1,275,000	2,566,322.50	2,160,000	406,322.50
1969-70	2,708,202.50	595,237.50	585,000	2,110,965.00	1,800,000	310,965.00
1970-71	1,929,482.50			1,922,462.50	1,700,000	229,462.50
1971-72	775,500.00			775,500.00	600,000	175,500.00
1972-73	748,500.00			748,500.00	600,000	148,500.00
1973-74	721,500.00			721,500.00	600,000	121,500.00
1974-75	694,500.00			694,500.00	600,000	94,500.00
1975-76	667,500.00			667,500.00	600,000	67,500.00
1976-77	640,500.00			640,500.00	600,000	40,500.00
1977-78	613,500.00			613,500.00	600,000	13,500.00
	\$211,849,430.00	\$95,048,012.50	\$ 84,881,000	\$116,801,417.50	\$ 94,911,000	\$ 21,890,417.50

Unsold Bonds at June 30, 1955 in the amount of \$51,235,000 are not included.





CITY AND COUNTY OF SAN FRANCISCO  
BOND INTEREST AND REDEMPTION  
FUNDING STATEMENT

Fiscal Years 1946-47 to 1955-56

FISCAL YEAR ENDED JUNE 30

SOURCE OF REVENUES:

General City Issues:

	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956
Taxes .....	\$ 4,807,305	\$ 4,017,955	\$ 3,596,089	\$ 2,650,025	\$ 2,690,858	\$ 2,595,777	\$ 2,120,382	\$ 2,215,536	\$ 3,544,397	\$ 3,682,287
Special Road Improvement Fund ..	88,200	88,200	.....	.....	.....	.....	.....	.....	.....	.....
Capital Improvement Fund .....	.....	516,250	1,719,797	3,228,497	3,996,069	4,591,367	5,017,833	5,052,863	4,912,189	5,056,962
Surplus .....	.....	.....	.....	136,932	.....	.....	.....	.....	.....	.....
	4,895,505	4,622,405	5,315,886	6,015,454	6,686,927	7,187,144	7,138,215	7,268,399	8,456,586	8,739,249

Public Service Enterprises:

Utility Earnings:

Water Department .....	6,210,245	5,610,412	6,250,831	6,520,270	6,607,787	6,466,282	6,522,665	6,441,567	6,884,397	6,880,615
Hetch Hetchy Project .....	1,330,378	1,505,373	1,367,307	1,161,340	1,273,059	1,391,671	1,371,771	1,361,727	875,594	705,299
Municipal Railway .....	132,500	127,500	868,771	1,231,388	315,722	.....	1,849,107	1,861,459	.....	.....
Airport .....	.....	.....	.....	.....	124,584	366,099	437,912	663,500	433,830	1,502,010
Capital Improvement Fund (via Utility)	.....	1,162,500	2,358,085	1,166,765	968,202	620,151	.....	.....	.....	.....
Taxes (via Utility) .....	849,565	294,710	289,855	1,665,360	3,105,818	2,827,350	1,602,725	1,466,892	3,753,012	2,634,376
	8,522,688	8,700,495	11,134,849	11,745,123	12,395,172	11,671,553	11,784,180	11,795,145	11,946,833	11,722,300

Total Budgeted Requirements .....

	\$13,418,193	\$13,322,900	\$16,450,735	\$17,760,577	\$19,082,099	\$18,859,697	\$18,922,395	\$19,063,544	\$20,403,419	\$20,461,549
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# Office of the Controller



REPORT AND FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 1955



LINDQUIST, VON HUSEN AND JOYCE

CERTIFIED PUBLIC ACCOUNTANTS

660 MARKET STREET

SAN FRANCISCO 4

YUKON 6-6431

RUDOLPH E. LINDQUIST  
FRED J. VON HUSEN  
JOHN F. JOYCE  
NORMAN THOMAS

SAN FRANCISCO  
LOS ANGELES  
CONCORD

November 17, 1955

The Honorable Board of Supervisors  
City and County of San Francisco  
San Francisco, California

Dear Sirs:

In accordance with your resolution No. 15219, we have examined the books of account, records and transactions of the Office of the Controller of the City and County of San Francisco for the year ended June 30, 1955, and submit herewith the following statements:

Exhibit

- A Combined proprietary balance sheet,  
June 30, 1955
- B Proprietary balance sheet, Public Service  
Enterprises, June 30, 1955
- C Statement of revenues, expenditures and  
current surplus, General City, June 30, 1955
- D Statement of revenues, expenses, and surplus,  
Public Service Enterprises, June 30, 1955
- E Statement of capital surplus, General City,  
June 30, 1955
- F Summary of fixed assets, June 30, 1955
- G Statement of bonded indebtedness, June 30, 1955  
Individual fund balance sheets, June 30, 1955:
  - H Summary
  - I Current funds
  - J Capital
  - K Retirement and other public trust funds
  - L Private trust funds
  - M Assessment and redemption funds
  - M Agency funds
  - N Public Service Enterprises
  - O Reconciliation of proprietary balance sheet with  
funds balance sheet, June 30, 1955

## SCOPE OF EXAMINATION

Proprietary accounts for the Public Service Enterprises are not maintained in the Office of the Controller but are maintained in the offices of the several enterprises. Examination of these accounts are made by other auditors as follows:

By other independent public accountants:

Municipal Railway of San Francisco  
San Francisco Water Department and Hetch Hetchy Project

By the Controller's Utilities Audit Division:

Public Utilities Commission  
San Francisco Airport

Our examination of the books and accounts relating to the Office of the Controller was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records maintained in the Office of the Controller and such other auditing procedures as we considered necessary in the circumstances; we did not extend our tests to records of other offices. However, in the preparation of the accompanying combined proprietary balance sheet and the statement of revenues, expenses and surplus of the Public Service Enterprises we have incorporated data from reports of examination made as at June 30, 1955 by other auditors, except that the data covering the Public Utilities Commission included in this report was taken from unaudited statements furnished to us by the Public Utilities Audit Division and the Controller's Office because the audited report of the Public Utilities Commission was not completed at the date of this report.

Also, in the preparation of other phases of this report, we have necessarily incorporated data from reports of examination made as at June 30, 1955 by other auditors as follows:

By other independent public accountants:

San Francisco Unified School District (a separate  
political entity)  
City and County of San Francisco Employees  
Retirement System

By the Controller's General Audit Division:

Cash, securities and accounts of the Treasurer's Office

OPINION

In our opinion, based on the scope of examination previously described, the accompanying financial statements, together with the notes thereto, present fairly the financial position at June 30, 1955 and the results of operations for the year then ended of the City and County of San Francisco and the San Francisco Unified School District, in conformity with generally accepted principles of accounting applied on a basis consistent with that of the preceding year.

Yours very truly,

*Lindquist, Von Hussen and Joyce*

LINDQUIST, VON HUSEN AND JOYCE

EXHIBIT A

CITY AND COUNTY OF SAN FRANCISCO AND  
SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
COMBINED PROPRIETARY BALANCE SHEET

JUNE 30, 1955

	<u>General City and County</u>			
	<u>ASSETS</u>	<u>Total</u>	<u>Public Service Enterprise</u>	<u>Total</u>
<u>FIXED CAPITAL:</u>				
Properties (Exhibit F)	\$699,436,719	\$324,603,357	\$374,833,362	\$374,833,362
Less: Reserve for depreciation	99,064,623	99,064,623		
	<u>600,372,096</u>	<u>225,538,734</u>	<u>374,833,362</u>	<u>374,833,362</u>
<u>CASH:</u>				
On deposit with treasurer	83,336,033	20,636,213	62,699,820	\$36,268,285
Cash in transit	2,065,911	35	2,065,876	2,065,876
Imprest funds	<u>102,900</u>	<u>52,650</u>	<u>50,250</u>	<u>50,250</u>
	<u>85,504,844</u>	<u>20,688,898</u>	<u>64,815,946</u>	<u>36,318,535</u>
<u>ACCOUNTS RECEIVABLE:</u>				
Taxes receivable, current year	724,612	724,612		724,612
Taxes receivable, prior years	1,880,910	1,880,910		1,880,910
Penalties, costs and interest	235,477	235,477		235,477
Franchise taxes	831,066	831,066		831,066
Federal and State subventions	2,581,230	2,581,230		2,581,230
Other accounts receivable	<u>5,954,863</u>	<u>1,967,064</u>	<u>3,987,799</u>	<u>2,750,368</u>
	<u>12,208,158</u>	<u>1,967,064</u>	<u>10,241,094</u>	<u>9,003,663</u>
Less reserves for:				
Unsecured delinquent taxes and penalties	2,020,662	2,020,662		2,020,662
Other accounts receivable	<u>1,359,383</u>	<u>52,247</u>	<u>1,287,136</u>	<u>1,287,136</u>
	<u>3,360,045</u>	<u>52,247</u>	<u>3,307,799</u>	<u>3,307,799</u>
	<u>8,848,113</u>	<u>1,914,817</u>	<u>6,933,296</u>	<u>5,695,865</u>
				<u>1,237,431</u>
<u>FEDERAL AID FOR PUBLIC IMPROVEMENTS:</u>				
Grants receivable (estimated)	1,353,678	228,200	1,125,478	1,125,478
Less: Reserve for grants receivable (estimated)	<u>1,353,678</u>	<u>228,200</u>	<u>1,125,478</u>	<u>1,125,478</u>
				<u>--</u>
<u>INVESTMENTS:</u>				
Securities	158,391,554	158,391,554		158,391,554
Other	<u>55,990</u>	<u>55,990</u>		<u>55,990</u>
	<u>158,447,544</u>	<u>158,447,544</u>		<u>158,447,544</u>
				<u>113,950</u>
	<u>6,115,010</u>	<u>4,924,811</u>	<u>4,408,160</u>	<u>516,651</u>
<u>LEASE GUARANTEE AND OTHER DEPOSITS</u>				
<u>INTERFUND ACCOUNTS (CONTRA)</u>				
<u>DEFERRED CHARGES:</u>				
Materials and supplies	2,279,226	1,273,413	1,005,813	1,005,813
Other deferred charges	<u>12,351,439</u>	<u>5,758,020</u>	<u>6,593,418</u>	<u>2,335</u>
	<u>14,630,664</u>	<u>7,031,433</u>	<u>7,599,231</u>	<u>6,591,083</u>
	<u>\$874,032,221</u>	<u>\$256,364,081</u>	<u>\$617,668,140</u>	<u>\$399,263,690</u>
				<u>\$170,973,742</u>

## CITY AND COUNTY OF SAN FRANCISCO

AND

EXHIBIT A

SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
COMBINED PROPRIETARY BALANCE SHEET

JUNE 30, 1955

	General City and County				Trust and Assessment Funds
	Total	Public Service Enterprises	Total	Current Funds	Capital Funds
<b>BONDED DEBT:</b>					
Matured	\$ 47,200	\$ 38,200	\$ 9,000	\$ 9,000	
Unmatured (Exhibit G)	179,792,000	84,911,000	84,891,000	330,000	\$ 84,551,000
	179,839,200	84,949,200	84,990,000	339,000	84,551,000
<b>BOND INTEREST:</b>					
Matured	89,337	51,168	7,169	7,169	
Accrued, not due	1,744,877	1,237,989	506,888	506,888	
	1,834,214	1,289,157	514,057	514,057	
<b>ACCOUNTS PAYABLE:</b>					
Accounts and contracts payable	21,161,507	6,593,546	14,567,961	7,711,734	\$ 6,445,234
Outstanding warrants and payroll	5,947,576	1,569,216	4,378,360	2,709,652	291,351
Other accruals and deposits	194,187	194,187			
	27,303,270	8,356,949	18,946,321	10,421,386	1,786,350
<b>INTERFUND ACCOUNTS (CONTRA)</b>	6,115,010	1,744,835	4,370,175	879,166	3,321,325
<b>RESERVES:</b>					
Reserve for accidents	2,836,803	2,836,803			
Other reserves	834,466	701,492	132,974	19,024	113,950
	3,671,269	3,538,295	132,974	19,024	113,950
<b>DEFERRED CREDITS:</b>					
Personal property taxes for					
year 1955 - 56	5,034,683		5,034,683	5,034,683	
Other deferred credits	1,886,546	386,189	1,500,357	1,500,357	
	6,921,229	386,189	6,535,040	6,535,040	
<b>TRUST AND ASSESSMENT FUND BALANCES</b>	168,901,758		168,901,758		168,901,758
<b>SURPLUS:</b>					
Public Service Enterprises	146,099,456	146,099,456			
General city - capital	28,723,035		28,723,035	28,723,035	
General city - capital (not					
available for meeting General					
city current expenses)	304,654,780		304,654,780		304,654,780
	479,477,271	146,099,456	333,377,815	28,723,035	304,654,780
	\$ 874,032,221	\$ 256,364,091	\$ 617,668,140	\$ 47,430,708	\$ 399,263,690
					\$ 170,973,742

## EXHIBIT B

CITY AND COUNTY OF SAN FRANCISCO  
PUBLIC SERVICE ENTERPRISES  
PROPRIETARY BALANCE SHEET

JUNE 30, 1955

ASSETS	Total	Adjustments		Totals Before Adjustments	Water Department	Municipal Railway	Hetch Hetchy Project	San Francisco Airport	Public Utilities Commission
		Interfund Accounts	for						
<b>FIXED CAPITAL:</b>									
In service	\$314,586,526			\$314,586,526	\$98,022,887	\$41,564,555	\$122,168,618	\$49,196,052	\$3,634,414
Not in service	1,980,185			1,980,185	1,513,169		467,016		
Less: Reserve for depreciation	(99,064,622)			(99,064,622)	(32,577,727)	(24,128,249)	(33,034,651)	(6,974,939)	(1,549,076)
	217,502,089			217,502,089	66,958,329	17,436,306	89,800,983	42,221,133	2,085,338
Under construction	8,036,645			8,036,645	6,655,975	37,540	7,245,813	58,536	38,801
	225,538,734			225,538,734	67,614,304	17,473,846	96,046,796	42,279,689	2,124,139
<b>CASH:</b>									
On deposit with Treasurer	20,636,213			20,636,248	6,708,173	3,811,121	7,524,596	2,354,025	238,298
Cash in transit	35				30,000	15,000	4,000	2,500	1,150
Imprest funds	52,650			52,650					
	20,688,898			20,688,898	6,738,173	3,826,156	7,528,596	2,356,525	239,448
<b>ACCOUNTS RECEIVABLE:</b>									
Revenues accrued and other receivables	1,967,064			1,967,064	1,027,212	26,052	292,387	616,330	5,083
Less: Reserve for other receivables	52,247			52,247	16,234			30,930	5,083
	1,914,817			1,914,817	1,010,978	26,052	292,387	585,400	
<b>FEDERAL AID FOR PUBLIC IMPROVEMENT:</b>									
Grants receivable, (Estimated)	228,200			228,200				228,200	
Less: Reserve for grants receivable	228,200			228,200				228,200	
	-			-				-	
<b>INTERFUND ACCOUNTS:</b>									
Due from General City	549,084			565,809	2,779	14,124	66,346	10,774	471,786
Due from Public Service Enterprises (contra)	641,115			622,823	4,591	12,346	485,092	7,670	113,124
	1,190,199			1,188,632	7,370	26,470	551,438	18,444	584,910
<b>DEFERRED CHARGES:</b>									
Materials and supplies	1,273,413			1,273,413	483,909	717,846	51,723	8,877	11,058
Other deferred charges	5,758,020			5,785,835	624,203	513,802	4,159,055	471,239	17,636
	7,031,433			7,059,348	1,108,112	1,231,648	4,210,778	480,116	28,694
<b>TOTAL ASSETS</b>	\$256,364,081			\$256,390,428	\$76,478,937	\$22,584,172	\$108,629,995	\$45,120,134	\$2,977,191



CITY AND COUNTY OF SAN FRANCISCO  
PUBLIC SERVICE ENTERPRISES  
PROPRIETARY BALANCE SHEET  
JUNE 30, 1955

EXHIBIT B

	<u>Total</u>	<u>Adjustments for Interfund Accounts</u>	<u>Total Before Adjustments</u>	<u>Water Department</u>	<u>Municipal Railway</u>	<u>Hetch Hetchy Project</u>	<u>San Francisco Airport</u>	<u>Public Utilities Commission</u>
<u>BONDED DEBT:</u>								
Unmatured	\$ 94,911,000		\$ 94,911,000	\$16,000,000	\$13,868,000	\$ 51,788,000	\$13,255,000	
Matured and unpaid.	38,420		38,420	15,000	200	23,000		
	<u>94,949,200</u>		<u>94,949,200</u>	<u>16,015,000</u>	<u>13,868,200</u>	<u>51,811,000</u>	<u>13,255,000</u>	
<u>BOND INTEREST:</u>								
Accrued, not due	1,237,988		1,237,988	360,000	94,342	744,496	39,150	
Matured and unpaid	51,169		51,169	9,990	2,090	37,851	1,238	
	<u>1,289,157</u>		<u>1,289,157</u>	<u>369,990</u>	<u>96,432</u>	<u>782,347</u>	<u>40,388</u>	
<u>ACCOUNTS PAYABLE:</u>								
Accounts and Contracts Payable	6,593,546		6,593,546	938,224	548,062	4,715,295	382,422	\$ 9,543
Outstanding Warrants and Payroll	1,569,216		1,569,216	158,716	871,610	356,422	52,618	129,850
Accruals due United States Government	33,400		33,400		33,400			
Accrued Payrolls	1,802		1,802		1,802			
Consumers deposits and advances	158,985		158,985	158,243		742		
	<u>8,356,949</u>		<u>8,356,949</u>	<u>1,255,183</u>	<u>1,454,874</u>	<u>5,072,459</u>	<u>435,040</u>	<u>139,392</u>
<u>INTERFUND ACCOUNTS:</u>								
Due to General City	1,110,251	\$ 10,011	1,120,262	127,751	279,335	26,176	528,779	158,221
Due to Public Service Enterprises (Contra)	634,584	(64,549)	628,410	59,681	69,137	13,632	93,942	392,018
	<u>1,744,835</u>	<u>3,837</u>	<u>1,748,672</u>	<u>187,432</u>	<u>348,472</u>	<u>39,808</u>	<u>622,721</u>	<u>550,239</u>
<u>DEFERRED CREDITS</u>	<u>386,189</u>		<u>386,189</u>		<u>32,310</u>		<u>371,674</u>	<u>2,205</u>
<u>RESERVES:</u>								
Reserve for accidents	2,836,803		2,836,803		2,836,803			3,391
Other reserves	701,492		701,492	511,822	184,305	21,974		3,391
	<u>3,538,295</u>		<u>3,538,295</u>	<u>511,822</u>	<u>3,001,108</u>	<u>21,974</u>		
Total liabilities	110,264,625	3,837	110,268,462	18,339,427	18,781,396	57,727,588	14,724,823	695,228
SURPLUS (Exhibit D)	146,099,456	6,714	146,121,967	58,139,510	3,802,776	50,902,407	30,995,311	2,281,963
	<u>15,797</u>		<u>15,797</u>					
	<u>\$ 26,348</u>		<u>\$ 26,348</u>					
<u>TOTAL LIABILITIES AND SURPLUS</u>	<u>\$256,364,081</u>		<u>\$256,390,429</u>	<u>\$76,478,937</u>	<u>\$22,584,172</u>	<u>\$108,629,995</u>	<u>\$45,720,134</u>	<u>\$2,977,191</u>

(Exclusive of Public Service Enterprises)

AND

## SAN FRANCISCO UNIFIED SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CURRENT SURPLUS

Y e a r    E n d e d  
June 30, 1955    June 30, 1954

REVENUES:

Property taxes, penalties, interest and costs	\$ 84,448,841	\$ 76,123,581
State and Federal subventions	43,275,125	42,687,117
Departmental service charges, etc.	7,757,720	6,961,796
Retail purchase and use tax	5,124,681	4,984,922
Fines, forfeitures, and penalties other than from property taxes	2,637,894	2,470,813
Franchise taxes	1,174,220	1,150,018
Licenses	636,810	580,362
Bank interest	507,011	578,940
Rentals from nonoperating school property	356,863	364,083
Housing authority in lieu of taxes	190,569	394,865
Other	86,891	90,099
Transfers from capital accounts	17,427	764,616
Transfers from trust accounts	1,274	--
Profit on sale of land and improvements	51,144	13,497
Capital additions through donations	<u>20,000</u>	<u>20,000</u>
Total revenues	<u>146,286,470</u>	<u>137,184,709</u>

EXPENDITURES:

Departmental operating expenses (adjusted for inventories and other deferred charges):		
General government	9,909,585	9,385,669
Public safety	22,004,766	20,804,800
Highways	3,287,857	3,028,109
Sanitation	3,324,461	3,269,346
Health conservation	2,806,125	2,753,708
Hospitals	7,738,386	7,107,558
Public welfare	22,450,499	22,027,819
Corrections	2,106,164	1,965,756
Schools	32,027,730	31,363,509
Libraries	1,105,315	1,045,452
Recreation	5,580,062	5,419,246
Civil defense	186,730	201,273
Bond interest	1,594,498	1,618,812
Miscellaneous	<u>190,675</u>	<u>(132,412)</u>
Total departmental operating expenses	114,312,853	109,858,645
Other expenditures:		
Transfers to capital accounts:		
Capital additions from revenues	5,237,613	5,777,715
Bond redemptions	6,694,000	5,654,000
Others	219,986	657,272
Transfers to trust accounts		<u>659</u>
Forward	<u>\$126,464,452</u>	<u>\$121,948,291</u>

CITY AND COUNTY OF SAN FRANCISCO  
(Exclusive of Public Service Enterprises)

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CURRENT SURPLUS

	<u>Year Ended</u>	
	<u>June 30, 1955</u>	<u>June 30, 1954</u>
<u>EXPENDITURES (Continued):</u>		
Amounts forwarded	\$126,464,452	\$121,948,291
Other expenditures (continued):		
Pension costs, Employees' Retirement System	13,761,938	13,527,239
Assessments, Joint Highway Districts No. 9 and No. 10	336,113	99,000
Contribution, Butano Forest purchase	100,000	
Contributions to Public Service Enterprises:		
San Francisco International Airport	1,890,856	1,465,459
Municipal Railway	2,932,848	-
Public Utilities Commission - heat, light and power bureau	145,615	139,379
Loss on sale of fireboats	254,174	
Miscellaneous	(1,375,246)	(1,461,364)
Total expenditures	<u>144,510,750</u>	<u>135,718,004</u>
<u>NET INCREASE IN CURRENT SURPLUS</u>	<u>\$ 1,775,720</u>	<u>\$ 1,466,705</u>
<u>CURRENT SURPLUS:</u>		
Current surplus as shown at beginning of year, per Controller's report	\$ 26,772,545	\$ 25,127,243
Add: San Francisco Unified School District tuition accrued in preceding year's auditor's reports	<u>174,770</u>	<u>353,367</u>
Current surplus at beginning of fiscal year after auditor's adjustment	26,947,315	25,480,610
Net increase in current surplus as shown above	<u>1,775,720</u>	<u>1,466,705</u>
<u>CURRENT SURPLUS, END OF FISCAL YEAR</u>	<u>\$ 28,723,035</u>	<u>\$ 26,947,315</u>

CITY AND COUNTY OF SAN FRANCISCO  
PUBLIC SERVICE ENTERPRISES  
STATEMENT OF REVENUES, EXPENSES AND SURPLUS  
JUNE 30, 1955

EXHIBIT D

	<u>Total</u>	<u>Adjustments</u> <u>on</u> <u>Interfund</u> <u>Accounts</u>	<u>Total</u>	<u>Water</u> <u>Department</u>	<u>Municipal</u> <u>Railway</u>	<u>Hetch</u> <u>Hetchy</u> <u>Project</u>	<u>San Francisco</u> <u>Airport</u>	<u>Public</u> <u>Utilities</u> <u>Commission</u>
<u>REVENUES AND EXPENSES</u>								
<u>OPERATING REVENUES</u>	\$ 45,981,959		\$ 45,981,959	\$12,683,906	\$21,087,543	\$ 8,556,289	\$ 2,129,501	\$1,524,720
<u>OPERATING EXPENSES</u>	39,780,023		39,780,023	9,288,482	22,018,205	5,051,129	1,897,487	1,524,720
Operating income or (loss)	6,201,936		6,201,936	3,395,424	(930,662)	3,505,160	232,014	-
<u>OTHER REVENUES:</u>								
Interest earned	35,523		35,523	17,106	18,417			
Rents	347,333		347,333	320,072	38,201	27,260		
Other	397,262		397,262	241,731		14,555		
	780,117		780,117	578,909	56,618	41,715		
<u>OTHER EXPENSES:</u>								
Bond interest	2,835,695		2,835,695	875,664	249,193	1,572,251	138,587	
Other	218,692		218,692	83,724	29,841	16,489	88,638	
	3,054,387		3,054,387	959,388	279,034	1,588,740	227,225	
<u>NET INCOME OR (LOSS)</u>	<u>\$ 3,927,666</u>		<u>\$ 3,927,666</u>	<u>\$ 3,014,945</u>	<u>\$(1,153,078)</u>	<u>\$ 1,958,135</u>	<u>\$ 107,664</u>	<u>-</u>
<u>SURPLUS</u>								
Balance, June 30, 1954	\$135,934,477		\$135,934,477	\$55,989,629	\$ 2,040,851	\$46,804,748	\$28,988,020	\$2,111,229
Net income or (loss) as above	3,927,666		3,927,666	3,014,945	(1,153,078)	1,958,135	107,664	145,615
Contributions from General City	4,969,319		4,969,319		2,932,848		1,890,856	
Contributions from Public Service								
Enterprises	1,030,064		1,030,064			1,030,064		
Contributions from other sources	1,283,251		1,283,251	165,000	10,842	1,108,460	8,791	205,753
Other contributions	216,595		216,595					
Adjustments to balance interfund accounts	(22,511)	\$(22,511)	(22,511)	59,169,574	3,831,463			
	147,338,861		147,361,372			50,902,407	30,995,331	2,462,597
<u>Less:</u>								
Contributions to Public Service	1,030,064		1,030,064					
Enterprises	209,341		209,341		28,687		20	180,634
Other deductions	1,239,405		1,239,405	1,030,064	28,687		20	180,634
	\$146,099,456	\$(22,511)	\$146,121,967	\$58,139,510	\$ 3,802,776	\$50,902,407	\$30,995,311	\$2,281,963
<u>BALANCE, JUNE 30, 1955</u>								

CITY AND COUNTY OF SAN FRANCISCO  
AND  
SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
CAPITAL SURPLUS  
YEAR ENDED JUNE 30, 1955

BALANCE PER BOOKS, JUNE 30, 1954			\$292,487,762
ADD:			
Transfers from current accounts:			
Bond redemptions	\$6,694,000		
Capital additions from revenues	5,237,613		
Others	<u>219,986</u>	12,151,599	
Transfers from trust accounts:			
Capital additions - State Highway Trust		22,461	
Profit on sale of capital assets:			
San Francisco Unified School District	11,534		
Recreation and Park	<u>31,500</u>	43,034	
Parking lot rentals:			
1947 off-street parking bonds		<u>25,034</u>	
			304,729,890
DEDUCT:			
Capital funds transferred to			
current accounts	17,428		
San Francisco Unified School District			
equipment disposals	<u>57,682</u>	<u>75,110</u>	
BALANCE, JUNE 30, 1955			<u>\$304,654,780</u>

## CITY AND COUNTY OF SAN FRANCISCO

AND

EXHIBIT F (CONTINUED)

## SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## SUMMARY OF FIXED ASSETS

JUNE 30, 1955

	Total	Land	Structures and Improvements	Equipment
<b>GENERAL CITY AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT:</b>				
Current Year's Additions - Net:				
General Government:	\$ 124,957		\$ 21,438	\$ 103,519
Civic Center, including City Hall		\$ 118,372	917,401	(149,158)
Public Safety:	886,615		16,289	147,432
Police Department	163,830		7,689	7,322
Department of Electricity	7,689			
Highways:				
Streets, tunnels, bridges, etc.	2,872,464	306,050	2,533,846	32,568
Asphalt plant	400,734		400,734	
Off-street parking	10,732	10,733		(1)
Sanitation:				
Sewers and sewage disposal plants	1,861,334	7,632	1,831,310	22,392
Street Cleaning Department	39,105			39,105
Health Conservation:				
Hassler Health Home	6,028		643	5,385
Civic Center Health Building	16,882			16,882
Other:	1,524		1,524	
Hospitals:				
San Francisco Hospital	555,672		476,152	38,014
Emergency Hospitals	15,449	(18,494)	15,449	
Public Welfare:				
Laguna Honda Home	205,426		131,440	73,986
Welfare Department	4,943			4,943
Corrections:				
County Jails	14,897		14,897	
Juvenile Detention Home - Old	26,220		26,220	
Youth Guidance Center	19,879		12,828	7,051
Juvenile Log Cabin Ranch	18,751		(7,262)	(1,489)
Schools	7,472,065	(161,445)	6,847,003	786,507
Libraries:	54,708		39,686	15,022
Recreation:				
Playgrounds and swimming pools	1,334,506	6,234	1,285,422	42,850
Museums, art galleries, etc.	219,553		210,015	9,540
War Memorial and Opera House	4,618		615	4,003
Parks and squares	161,922	82,324	64,613	14,385
Auditorium	2,002		1,659	143
Golf links	5,339		5,339	
Kezar Stadium	91,398		91,398	
Other:				
Miscellaneous	28,643	(15,405)		44,048
Prior Years' Additions	16,600,103	336,601	14,924,003	1,339,499
Total General City	358,233,259	59,899,436	271,877,527	26,456,296
	\$374,833,362	\$60,236,037	\$286,801,530	\$27,798,795

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SUMMARY OF FIXED ASSETS

JUNE 30, 1955

Total General City

Total

\$374,833,362

PUBLIC SERVICE ENTERPRISES:

Current Year's Additions - Net:

Water Department

Municipal Railway

Hetch Hetchy Project

San Francisco Airport

Public Utilities Commission

1,909,233

(1,648,727)

4,602,832

927,029

168,203

5,958,570

318,644,787

Total Public Service Enterprises

324,603,357

Prior Years' Additions

TOTAL FIXED ASSETS, CITY AND COUNTY OF SAN FRANCISCO

\$699,436,719

CITY AND COUNTY OF SAN FRANCISCO  
AND  
SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
BONDED INDEBTEDNESS  
JUNE 30, 1955

GENERAL CITY:

## Schools:

March 1, 1923, 5%		\$3,600,000	
1948:			
Series A - March 1, 1949, 1 1/4%			
and 1 1/2%		4,900,000	
Series B - April 1, 1951, 1 3/4%		8,466,000	
Series C - March 1, 1952, 1 1/2%		8,080,000	
Series D - December 1, 1952, 1 3/4%		9,500,000	
Series E - August 1, 1953, 2 1/2%			
and 4%		4,480,000	
Series F - March 1, 1954, 1% to 5 3/4%		2,800,000	
Series G - April 1, 1955, 1 3/4% to 6%		<u>4,000,000</u>	\$45,826,000

## Juvenile Court and Detention Home:

Series A - August 1, 1948, 1 1/2%			
and 1 3/4%		868,000	
Series B - November 1, 1949, 1% to 1 1/2%		<u>641,000</u>	1,509,000

## Boulevards and Roads:

Boulevards and roads, February 1, 1931,			
4 1/2%		180,000	
Street Improvement 1947:			
Series A - February 1, 1948, 2%		900,000	
Series B - August 1, 1949, 1% to 1 1/2%		1,390,000	
Series C - November 1, 1949, 1% to			
1 1/2%		3,900,000	
Series D - September 1, 1950, 1 1/4%			
and 1 1/2%		638,000	
Series E - March 1, 1952, 1 1/4% and			
1 1/2%		2,175,000	
Series F - December 1, 1952, 1 3/4%		950,000	
Series G - March 1, 1954, 1% to 4%		<u>900,000</u>	11,033,000

## Fire Protection:

July 1, 1908, 5%		130,000	
Firehouse 1952:			
Series A - April 1, 1955, 1 3/4%			
and 6%		<u>1,800,000</u>	1,930,000

## Sewers:

December 1, 1933, 4%		705,000	
Sewers 1944:			
Series B - February 1, 1948, 2% and			
2 1/2%		4,264,000	
Sewage Treatment 1948:			
Series A - August 1, 1949, 1% to			
1 1/2%		5,257,000	
Series B - November 1, 1949, 1% to			
1 1/2%		2,090,000	
Series C - March 1, 1952, 1 1/4% and			
1 1/2%		1,800,000	
Series D - March 1, 1954, 1% to 4%		<u>900,000</u>	\$15,016,000



CITY AND COUNTY OF SAN FRANCISCOANDSAN FRANCISCO UNIFIED SCHOOL DISTRICTBONDED INDEBTEDNESSJUNE 30, 1955

## Parks and Playgrounds:

Parks and squares, February 1, 1931, 4 1/2%	\$	280,000	
Playgrounds, February 1, 1931, 4 1/2%		40,000	
Recreation 1947:			
Series A - August 1, 1948, 1 1/2%			
and 1 3/4%		1,116,000	
Series B - November 1, 1949, 1% to 1 1/2%		890,000	
Series C - September 1, 1950, 1 1/4%			
and 1 1/2%		1,686,000	
Series D - August 1, 1953, 2 1/2% and 4%		2,330,000	
Series E - April 1, 1955, 1 3/4% and 5 1/4%		<u>1,100,000</u>	\$ 7,442,000

## Other Issues:

Off-street parking 1947:			
Series A - March 1, 1952, 1 1/4%			
and 1 1/2%		925,000	
City Hall and Civic Center:			
July 1, 1912, 5%		<u>1,200,000</u>	<u>2,125,000</u>
Total General City			84,881,000

PUBLIC SERVICE ENTERPRISES:

San Francisco Water Department	16,000,000		
Hetch Hetchy Water Supply and Power Project	51,788,000		
Municipal Railway of San Francisco	13,868,000		
San Francisco International Airport	<u>13,255,000</u>		
Total Public Service Enterprises		<u>94,911,000</u>	
Total Bonded Indebtedness			<u>\$179,792,000</u>

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS RELATING TO THE OFFICE  
OF THE CONTROLLER, FOR THE YEAR ENDED JUNE 30, 1955

NOTE A - Authorized but unissued bonds:

The following is a summary of unissued bonds as at June 30, 1955:

1947 Street Improvement	\$ 6,950,000
1947 Recreation	2,670,000
1947 Off-Street Parking	4,000,000
1948 Sewage Treatment	1,450,000
1948 School	990,000
1952 Firehouse	2,950,000
1954 Sewer	12,645,000
1954 Exhibit Hall	3,275,000
1954 Recreation Center	5,000,000
1954 San Francisco Hospital	5,830,000
1954 Laguna Honda Home and Hospital	5,475,000
Total	<u>\$51,235,000</u>

NOTE B - Unallocated tax appropriations, Employees' Retirement Fund:

For the nine year period ended June 30, 1955, taxes apportioned to the Employees Retirement System for pension costs have exceeded actual costs by \$169,380, as follows:

Excess (net) to June 30, 1954		\$1,064,251
Deduct: Taxes apportioned but not collected nor remitted at June 30, 1954		<u>92,766</u>
Adjusted excess at June 30, 1954		971,485
Deduct: Amount returned during 1954-1955:		
General Fund	\$ 971,485	
Recreation and Park	<u>8,600</u>	<u>980,085</u>
		(8,600)
Add: Taxes apportioned to the Employees Retirement System for the current year	10,618,784	
Less: Charges for current and prior service and other costs	<u>10,440,804</u>	<u>177,980</u>
Balance, June 30, 1955		<u>\$ 169,380</u>

During 1955-1956 the above balance was transferred back to the General Fund in compliance with provisions of Section 80 of the Charter.

NOTE C - Fixed capital properties:

The amount of \$699,436,719 does not purport to represent the cost of properties and equipment presently owned by the City and County. The principal reasons are as follows:

1. A substantial but undetermined portion of expenditures on inter-departmental work orders in progress at the end of the fiscal year (\$2,171,666 at June 30, 1955 and \$2,894,926 at June 30, 1954) is applicable to land, structures or equipment, but such expenditures are not charged to fixed assets until each of the several jobs is completed.
2. An equity of approximately \$681,000 has been acquired in parking meters (including \$34,000 during the year under review) which, together with the balance of \$18,000 owing at June 30, 1955 on meters installed to that date, has not been taken up in the accounts. One-half of the collections from each newly installed meter is paid to the vendor of the meter until such time as the agreed purchase price has been paid in full; the other half of the collections is credited to revenues.
3. Construction contracts in progress, amounting to \$6,445,234 at June 30, 1955 are included under the deferred charge caption on the foregoing balance sheet.
4. Certain of the properties are recorded at appraised values.

NOTE D - Contingent liabilities, suits, claims, etc.:

According to the City Attorney and Counsel for the School District, there were damage suits pending against the City and County and against the School District as at June 30, 1955 aggregating approximately \$25,000,000 and \$100,000 respectively; also there were a large number of claims pending which had not yet resulted in legal action. Included in the claims of \$25,000,000 against the City and

County, were claims aggregating approximately \$18,000,000 against the Municipal Railway for which the Railway has provided a reserve of \$2,837,000. No such reserve has been provided by any of the other departments of the municipality nor by the School District.

In addition, the independent accountant's report for Water Department and Hetch Hetchy Water Supply and Power Project refer to water adjustment claims of \$256,147 which have been fully reserved, contingent liabilities for various property damage, personal injury and water rate suits indeterminate in amount, and a suit pending before a higher court review involving the amount of \$27,300.

The Retirement Board has estimated the reserve requirements at June 30, 1955 for compensation claims pending under the workmen's compensation laws of the State of California to be \$1,246,000. The applicable share has been reserved and included in the statements for all Public Service Enterprises, (excepting the San Francisco International Airport), however no provision has been made by any other department of the municipality. It is the practice of the municipality to provide funds in each annual appropriation ordinance in an amount estimated to be sufficient to meet payments under these claims during the ensuing year.

It is also the practice of the municipality to have an actuarial estimate made once every six years of the amount of the City's unfunded prior service pension costs. These unfunded costs amounted to approximately \$40,500,000 at June 30, 1951, the date of the most recent estimate.

The City and County of San Francisco is contingently liable for the operating expenses and bond interest and redemption charges of the Golden Gate Bridge and Highway District by reason of its participation in the District. The unaudited financial statements of the Bridge District for the year ended June 30, 1955 show:

1. Net income of \$848,489 after provision for bond interest and after an extraordinary charge of \$1,311,583 representing final payment on a contract of \$3,062,216 for a bottom lateral bracing system.

2. Bonds outstanding at June 30, 1955 amounted to \$29,600,000.

These mature as follows:

<u>Years</u>	<u>Amount</u>
1955-1956	\$ 1,600,000
1957-1961	6,000,000
1962-1966	8,000,000
1967-1971	<u>14,000,000</u>
Total	<u>\$29,600,000</u>

3. A sinking fund for retirement of bonded debt amounting at June 30, 1955 to \$6,686,387.

4. That the District will be liable in the sum of \$5,000,000 to the State of California in connection with the new Marin County approach, payable after the present bonded indebtedness of the District shall have been paid.

CITY AND COUNTY OF SAN FRANCISCO  
AND  
SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
SUMMARY OF FUND BALANCE SHEETS AND ADJUSTMENTS THERETO  
JUNE 30, 1955

<u>Cash</u>	<u>Receivables</u>	<u>Other Resources</u>	<u>Investments</u>	<u>Interfund Accounts</u>	<u>Total</u>	
\$29,553,237	\$ 8,846,488	\$ 1,125,478		\$16,011,207	\$ 55,536,410	<u>GENERAL CITY AND COUNTY FUNDS:</u>
17,547,893		51,235,000		1,189,280	69,972,173	Current
5,433,035	1,237,090		\$158,447,544	604,951	165,722,620	Capital
2,486,732					2,686,732	Public trusts
12,344	340				15,684	Private trusts
<u>1,121,988</u>					<u>1,121,988</u>	Assessment and redemption
56,355,229	10,083,918	52,360,478	158,447,544	17,805,438	295,052,607	Agency
50,250	157,176					To record:
					50,250	Revolving funds
					157,176	School Department tuition
				18,665	18,665	Additional retirement contribution
				169,380	169,380	Additional liabilities
					<u>4,015,938</u>	Unused tax apportionment - Retirement
<u>4,015,938</u>					<u>299,464,916</u>	To reclassify:
<u>60,421,417</u>	<u>10,241,094</u>	<u>52,360,478</u>	<u>158,447,544</u>	<u>17,993,483</u>		Warrants recorded in June, issued in July
						<u>PUBLIC SERVICE ENTERPRISE FUNDS:</u>
7,107,495	296,177			538,543	7,942,215	Hetch Hetchy
6,524,145	1,034,243			72,266	7,630,654	Water Department
2,937,006	30,785			18,393	2,986,155	Municipal Railway
2,300,169	608,534	228,200		11,594	3,148,197	Airport
<u>108,448</u>	<u>5,084</u>			<u>598,090</u>	<u>711,622</u>	Public Utilities Commission
18,977,263	1,974,494	228,200		1,238,886	22,418,843	To record:
52,650					52,650	Revolving funds
	(7,430)				(7,430)	Additional retirement contribution
1,290,929					1,290,929	Miscellaneous audit adjustments
						To reclassify:
						Warrants recorded in June, issued in July
						Crystal Springs Clubhouse insurance receipt
						For statement purposes - Reserve (in
						litigation) - Airport
						Advance rental and other miscellaneous
						receipts, unamortized bond premium,
						deposits, etc.
<u>20,320,842</u>	<u>1,967,064</u>	<u>228,200</u>		<u>1,238,886</u>	<u>23,754,992</u>	
<u>\$82,742,252</u>	<u>\$12,208,158</u>	<u>\$52,588,678</u>	<u>\$158,447,544</u>	<u>\$19,232,369</u>	<u>\$223,219,008</u>	<u>TOTAL CITY AND COUNTY OF SAN FRANCISCO</u>

## EXHIBIT H

<u>Total</u>	<u>Encumbrances</u>	<u>Interfund Accounts</u>	<u>Deferred Credits</u>	<u>Reserves</u>	<u>Cash Reserves</u>	<u>Trust and Assessment</u>	<u>Unencumbered Appropriations</u>	<u>Unappropriated</u>
\$ 55,536,410	\$ 3,694,461	\$10,953,216	\$6,400,049	\$3,326,822	\$7,608,254		\$17,281,022	\$ 6,272,586
69,972,173	6,445,234	6,235,886					47,869,104	9,421,949
165,722,620	377,936	74,764				\$165,269,920		
2,686,732	353					2,686,379		
12,684						12,684		
<u>1,121,988</u>	<u>5,993</u>	<u>900</u>				<u>1,115,085</u>		
295,052,607	10,523,977	17,264,766	6,400,049	3,326,822	7,608,254	169,084,078	65,150,126	15,694,535
50,250								50,250
157,176		10,516				18,664	(10,515)	157,176
18,665	28,675					(169,380)	(28,675)	
169,380		169,380						169,380
<u>4,015,938</u>	<u>4,015,309</u>						<u>629</u>	
<u>299,464,016</u>	<u>14,567,961</u>	<u>17,444,662</u>	<u>6,400,049</u>	<u>3,326,822</u>	<u>7,608,254</u>	<u>168,933,362</u>	<u>65,111,565</u>	<u>16,071,341</u>
7,942,215	4,653,989	104,790		1,362,102			1,652,172	169,162
7,630,654	864,201	164,495		1,622,757			4,727,680	251,521
2,986,155	548,062	338,839		35			1,436,324	662,895
3,148,197	383,442	623,180		368,456			1,079,318	693,801
<u>711,624</u>	<u>8,543</u>	<u>548,255</u>		<u>5,084</u>			<u>146,826</u>	<u>1,914</u>
22,418,843	6,459,237	1,779,559		3,358,434			9,042,320	1,779,293
52,650								52,650
(7,430)		8,148					(8,148)	
							(7,430)	
1,290,929	1,290,929							
				(22,000)				22,000
			337,516	(337,516)				
			<u>48,673</u>					<u>(48,673)</u>
<u>23,754,992</u>	<u>7,750,166</u>	<u>1,787,707</u>	<u>386,189</u>	<u>2,998,918</u>			<u>9,026,742</u>	<u>1,805,270</u>
<u>\$323,219,008</u>	<u>\$22,318,127</u>	<u>\$19,232,369</u>	<u>\$6,786,238</u>	<u>\$6,325,740</u>	<u>\$7,608,254</u>	<u>\$168,933,362</u>	<u>\$74,138,307</u>	<u>\$17,876,611</u>

EXHIBIT ICITY AND COUNTY OF SAN FRANCISCOANDSAN FRANCISCO UNIFIED SCHOOL DISTRICTINDIVIDUAL FUND BALANCE SHEETS - CURRENT FUNDSJUNE 30, 1955

<u>Cash</u>	<u>Receivables</u>	<u>Other Resources</u>	<u>Interfund Accounts</u>	<u>Total</u>	
\$ 3,404,182	\$2,801,024		\$ 979,245	\$ 979,245	General Fund, 1955-1956
233,821	300		5,189,605	11,394,811	General Fund, 1954-1955
159,897	(638)		55,562	289,683	General Fund, prior years
163,113	2,756		432,503	591,762	Recreation and Park
109,483	1,075		3,534	169,403	Library
111,025			6,600	117,158	War Memorial
			424	111,449	California Palace of the Legion of Honor
25,835			2,575	28,410	de Young Museum
124,657				124,657	Publicity and Advertising
61,899				61,899	Special Election
3,231,040	405,859		377,656	4,014,555	Special Road Improvement
4,792,660	790,790	\$1,125,478	2,728	6,711,656	San Francisco Unified School District
209,253	29,427			238,680	School Cafeteria
120,440	7,070			127,510	Child Care Center - State
10,082,991	628,750			10,711,741	Special Gas Tax Street Improvement
	246,172			246,172	Employees' Retirement - Current
149,133	237,242		964,900	1,351,275	Bond Interest and Redemption
895,934	1,733,143		7,232,858	9,861,935	Cash Reserve
734,632			763,017	1,497,649	Emergency Reserve
5,153				5,153	Tax Anticipation Note Interest
22,928				22,928	Embarcadero Widening
274,996	1,203,001			1,477,997	Capital Improvement
	233,333			233,333	Alcoholic Beverage License Subsidy
	527,183			527,183	Tuberculosis Aid Subsidy
(167,930)				(167,930)	Auditorium
(171,332)				(171,332)	Firemen's Relief and Pension
(103,236)				(103,236)	Police Relief and Pension
1,233				1,233	Unapportioned Funds:
262				262	Tax Collector's Taxes
46,485				46,485	Redemption of Property
5,034,683				5,034,683	Delinquent Tax Installments
					Assessor's Personal Property Tax
					1955-1956
<u>\$29,553,237</u>	<u>\$8,846,488</u>	<u>\$1,125,478</u>	<u>\$16,011,207</u>	<u>\$55,536,410</u>	



EXHIBIT I

<u>Total</u>	<u>Encumbrances</u>	<u>Interfund Accounts</u>	<u>Deferred Credits</u>	<u>Cash Reserves</u>	<u>Reserves</u>	<u>Unencumbered Appropriations</u>	<u>Unappropriated</u>
979,245							\$ 979,245
11,394,811	\$2,029,666	\$ 4,050,695	\$1,261,817		\$1,280,246	\$ 2,772,387	
289,683	85,334	97,789	4,500		191	101,869	
591,762	207,679	142,714	50,982		(638)	191,025	
169,403	17,289	54,954			2,756	44,404	50,000
117,158	20,634	20,424			1,075	75,025	
111,449	302	11,147				100,000	
28,410	3,915	12,025				12,470	
124,657	19,145	5,512				100,000	
61,899						50,000	11,899
4,014,555	438,970	802,202				1,787,590	985,793
6,711,656	793,349	1,321,765	86		429,243	1,971,090	2,196,123
238,680		11	1			5,000	233,668
127,510	23,968	14,451			1,175	5,014	82,902
10,711,741	54,210	356,249				8,544,513	1,756,769
246,172		96,253			149,919		
1,351,275		1,100,000			212,972		38,303
9,861,935		1,003,798		\$7,608,254	1,249,883		
1,497,649						1,497,649	
5,153							5,153
22,928							
1,477,997		1,102,711				22,928	
233,333		233,333				58	375,228
527,183		527,183					
(167,930)							(167,930)
(171,332)							(171,332)
(103,236)							(103,236)
1,233			1,233				
262			262				
46,485			46,485				
5,034,683			5,034,683				
<u>35,536,410</u>	<u>\$3,694,461</u>	<u>\$10,953,216</u>	<u>\$6,400,049</u>	<u>\$7,608,254</u>	<u>\$3,326,822</u>	<u>\$17,281,022</u>	<u>\$6,272,586</u>

## CITY AND COUNTY OF SAN FRANCISCO

## AND

## SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## INDIVIDUAL FUND BALANCE SHEETS - CAPITAL FUNDS

JUNE 30, 1955

EXHIBIT J

Cash	Unsold Bonds	Inter-Fund Accounts	Total	Bond Funds:	Total	Encumbrances	Inter-Fund Accounts	Unencumbered Appropriations	Unappropriated
\$ 20,912			\$ 20,912	1933 Sewers	\$ 20,912	\$ 84,444	\$ 1,800	\$ 15,157	\$ 3,955
1,561,464			1,561,464	1944 Sewers			76,269	910,354	490,597
				1944 Juvenile Home Court and	1,561,464				
				Petateville Court and					
				Hillside	41,023		3,000	35,211	2,812
1,357,264	\$ 6,950,000		8,307,264	1947 Street Improvement	8,307,264	427,649	1,514,281	6,247,884	117,450
2,035,402	2,670,000		4,685,402	1947 Recreation	4,685,402	653,537	403,868	2,900,319	727,878
112,925	4,000,000		4,112,925	1947 Off-Street Parking	4,112,925	2,500	1,000	1,789,105	2,320,320
8,431,860	990,000	\$1,189,279	10,661,139	1948 Schools	10,661,139	3,841,142	842,710	5,933,193	44,094
909,105	1,450,000		2,359,105	1948 Sewage Treatment	2,359,105	126,675	1,509,346	632,245	90,839
1,434,727	2,950,000		4,384,727	1952 Firehouse	4,384,727	726,527	563,584	2,909,616	185,000
370,000	12,645,000		13,015,000	1954 Sewer	13,015,000	54,970	785,058	12,174,972	
36,130	5,630,000		5,666,130	1954 San Francisco Hospital	5,666,130	54,970	51,200	5,814,873	
				1954 Laguna Honda Home					
434,003	5,475,000		5,909,003	and Hospital	5,909,003	335,354	261,370	5,332,279	
220,000	3,275,000		3,495,000	1954 Exhibit Hall	3,495,000	192,500	222,400	3,080,100	
	5,000,000		5,000,000	1954 Recreation Center	5,000,000				5,000,000
				Real Property Funds:					
				General City	469,654			46,020	423,634
				San Francisco Unified					
				School District	83,425	79		67,776	15,570
\$17,547,894	\$51,235,000	\$1,189,279	\$69,972,173		\$69,972,173	\$6,445,234	\$6,235,886	\$47,869,104	\$9,421,949

## CITY AND COUNTY OF SAN FRANCISCO

AND

EXHIBIT K

## SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## INDIVIDUAL FUND BALANCE SHEETS - RETIREMENT AND OTHER PUBLIC TRUST FUNDS

JUNE 30, 1955

Cash	Receiv- ables	Invest- ments	Inter- fund Accounts	Total	Encum- brances	Inter- fund Accounts	Fund Balances
\$4,037,286	\$1,166,870	\$158,075,772	\$604,951	\$163,884,879	\$ 65	\$ 5,614	\$163,879,200
2,447				2,447			2,447
3,000				3,000			3,000
1,225		94		1,319			1,319
176				176			176
8,618		50,990		59,608			59,558
471	996	116,672		118,139			117,373
74,695				74,695		185	69,695
3,236	8,379			11,731		5,000	11,731
1,496	2,000			3,496			3,496
7,687	2,073			9,805			9,805
2,728	5	5,000		7,733			7,733
8,684				8,684			8,684
728	22	979		1,729			1,729
469		45,000		46,666			46,666
14,243				14,243			14,243
6,587				6,587			6,587
1,000				1,000			1,000
15,176		5,000		15,176			15,176
2,152				2,152			2,152
119,286	104	100,000		219,390		3,596	215,794
66	10	5,000		5,076			5,076
1,185	156	15,000		16,321			16,321
344				344			344
3,910				3,910			3,910
351,318				351,318			349,679
2,028				2,028		1,639	2,028
3,585				3,585			3,585
1,153				1,153			1,153
2,191	110	15,565		17,886			17,886
104				104			104
854				854			854
1,195				1,195			1,195
259				259			192
110				110			110
192				192			192
631				631			631
140				140			140
330,546				330,546			329,618
209				209			209
416,553	69,187			484,740		62,326	50,090
7,354				7,354			7,354
\$5,433,035	\$1,237,090	\$158,447,544	\$604,951	\$165,722,620	\$377,936	\$74,764	\$165,269,920

## AND

## SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## INDIVIDUAL FUND BALANCE SHEETS - PRIVATE TRUST FUNDS

JUNE 30, 1955

Cash		Total	Encum- brances	Fund Balances
\$ 608	Absent Creditors	\$ 608		\$ 608
19,359	Absent Heirs	19,359		19,359
44,599	Adult Probation Officers' Deposit	44,599		44,599
1,238	Adult Probation Officers' Clearing Account	1,238		1,238
19,820	Coroner's Unclaimed Money	19,820		19,820
43,134	County Clerk Bail	43,134		43,134
434,900	County Clerk Special	434,900		434,900
585	de Young Museum	585		585
15,551	Duplicate Taxes	15,551		15,551
928	Electrical Deposits	928		928
13,134	Jail Stores Deposits	13,134	\$ 12	13,122
15,069	Juvenile Court Deposits	15,069		15,069
1,054	California Palace of the Legion of Honor	1,054		1,054
255	Library Card Deposits	255		255
76,350	Municipal Court Bail	76,350		76,350
24,679	Municipal Court Special	24,679		24,679
1,340	Municipal Court Suspense	1,340		1,340
1,454	Police Department Deposits	1,454		1,454
26,584	Realty Deposits	26,584		26,584
3,350	School Teachers' Sabbatical Leave	3,350		3,350
101,268	Sheriff's Trust	101,268		101,268
1,751	Sheriff's Inmate Welfare Fund	1,751	341	1,410
125	Special Badge	125		125
465	Street Improvement	465		465
215	Street Improvement - Ordinance 1934	215		215
10,148	Sunset Tunnel Assessment Refund	10,148		10,148
51,990	Traffic Court Suspense	51,990		51,990
18,779	Twin Peaks Tunnel Refund	18,779		18,779
56,648	War Bonds	56,648		56,648
752,183	Withholding Tax - General	752,183		752,183
588,633	Withholding Tax - S. F. Unified School District	588,633		588,633
200,639	Withholding Tax - Municipal Railway	200,639		200,639
33,422	F.I.C.A. Taxes - Municipal Railway	33,422		33,422
418	F.I.C.A. Taxes - Redevelopment Agency	418		418
123	F.I.C.A. Taxes - Parking Authority	123		123
164	California Unemployment Insurance Taxes - Redevelopment Agency	164		164
125,770	Voluntary Payroll Deductions	125,770		125,770
<u>\$2,686,732</u>		<u>\$2,686,732</u>	<u>\$353</u>	<u>\$2,686,379</u>

CITY AND COUNTY OF SAN FRANCISCO  
AND  
SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
INDIVIDUAL FUND BALANCE SHEETS  
JUNE 30, 1955

<u>Cash</u>	<u>Receiv- ables</u>	<u>Total</u>	<u>ASSESSMENT AND REDEMPTION FUNDS</u>	<u>Total</u>	<u>Encum- brances</u>	<u>Inter- fund Accounts</u>	<u>Fund Balances</u>
\$ 1,302	\$ 1,302	\$ 1,302	Circular Avenue Assessments	\$ 1,302			\$ 1,302
4,233	4,233	4,233	Circular Avenue Redemptions	4,233			4,233
938	938	938	City Lands Assessment	938			938
3,623	3,623	3,623	City Lands Redemption	3,623			3,623
142	142	142	Oakwood Street Assessments	142			142
64	64	64	Saturn Street Redemptions	64			64
\$331	\$331	331	Sunset Tunnel Assessments	331			331
9	9	9	Twin Peaks Tunnel Assessments	9			9
462	462	462	Virginia Avenue Assessments	462			462
1,580	1,580	1,580	Virginia Avenue Redemptions	1,580			1,580
<u>\$ 12,344</u>	<u>\$340</u>	<u>\$ 12,684</u>		<u>\$ 12,684</u>			<u>\$ 12,684</u>
\$ 570,428	\$ 570,428	\$ 570,428	<u>AGENCY FUNDS</u>	\$ 570,428			\$ 570,428
539	539	539	State Inheritance Tax	539			539
			Law Library				
			State Consumers Use Tax				
439,315	439,315	439,315	State County Fair	439,315			439,315
23,440	23,440	23,440	State Fines and Forfeitures	23,440			23,440
3,003	3,003	3,003	State Sales Tax	3,003	\$5,992		3,003
22,294	22,294	22,294	State Teachers' Annuity Deposit	22,294			22,294
37,843	37,843	37,843	State Teachers' Retirement, Permanent	37,843			37,843
25,126	25,126	25,126	Redevelopment Agency	25,126		\$900	24,226
<u>\$1,121,988</u>		<u>\$1,121,988</u>		<u>\$1,121,988</u>	<u>\$5,992</u>	<u>\$900</u>	<u>\$1,115,096</u>

CITY AND COUNTY OF SAN FRANCISCO  
PUBLIC SERVICE ENTERPRISES  
INDIVIDUAL FUND BALANCE SHEETS  
JUNE 30, 1955

EXHIBIT N

Cash	Receivables	Other Resources	Interfund Accounts	Total	Hetch Hetchy: Operating Bond Interest and Redemption 1947 Water Bonds 1947 Cherry Valley Dam Bonds	Total	Encum- brances	Interfund Accounts	Reserves	Unencumbered Reservations	Unappro- priated
\$ 263,272	\$ 296,177	\$ 536,543	\$ 536,543	\$ 1,097,982	Hetch Hetchy: Operating Bond Interest and Redemption 1947 Water Bonds 1947 Cherry Valley Dam Bonds	\$ 1,097,982	\$ 70,007	\$ 66,940	\$ 49,602	\$ 743,052	\$ 168,391
1,312,500				1,312,500		1,312,500			1,312,500		
515,269				515,269		515,269	2,143			513,126	
5,016,454				5,016,454		5,016,454	4,581,839	37,850		395,994	771
7,107,495	296,177		536,543	7,942,215		7,942,215	4,653,989	104,790	1,362,102	1,652,172	169,162
5,150,212	1,034,243		72,266	6,256,721	Water Department: Operating Bond Interest and Redemption Real Property	6,256,721	864,201	163,945	262,758	4,714,296	251,521
1,360,000				1,360,000		1,360,000			1,360,000		
6,524,145	1,034,243		72,266	7,630,654		7,630,654	864,201	164,495	1,622,758	13,383	
13,933				13,933		13,933		550			
2,831,868	30,756		17,719	2,880,343	Municipal Railway: Operating 1947 Municipal Railway Rehabilitation	2,880,343	546,228	336,838	35	1,332,346	662,896
105,138			674	105,812		105,812	1,834			103,978	
2,937,006	30,756		19,393	2,986,155		2,986,155	548,062	336,838	35	1,436,324	662,896
754,256	608,234		11,594	1,374,084	Airport: Operating 1945 Airport Bonds 1949 Airport Bonds Federal Airport Project	1,374,084	9,518	554,449	368,455	4,603	437,059
768,102				768,102		768,102	306,069	57,731		384,306	28,542
534,265				534,265		534,265	67,855	11,000		435,410	
255,000		\$228,200		483,200		483,200				255,000	228,200
2,300,169	608,234	228,200	11,594	3,148,197		3,148,197	383,442	623,180	368,455	1,079,319	693,801
					Public Utilities Commission: Operating						
308,448	5,084		586,090	711,622		711,622	9,543	548,255	5,084	146,826	1,914
\$18,977,263	\$1,974,494	\$228,200	\$1,236,889	\$22,418,843		\$22,418,843	\$6,459,237	\$1,779,558	\$3,358,434	\$9,042,320	\$1,779,294

## EXHIBIT O

JUNE 30, 1955

## LIABILITIES AND SURPLUS

[illegible]

ADD:

Warrants recorded in June, issued in July, 1955 (Public Service Enterprise)  
Accounts receivable reserves  
Bonds unsold  
Interfund accounts  
Net work order, budget transfer, etc. adjustments

FUND BALANCE SHEET - EXHIBIT A

## EXHIBIT O

## CITY AND COUNTY OF SAN FRANCISCO

AND

## SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUNDS BALANCE SHEET

JUNE 30, 1955

## ASSETS

	Total	Fixed Capital Assets	Cash	Accounts Receivable	Other Resources	Investments	Deposits	Interfund Accounts	Deferred Charges
<u>PROPRIETARY BALANCE SHEET</u>	<u>\$874,032,221</u>	<u>\$600,372,096</u>	<u>\$85,504,844</u>	<u>\$ 8,848,113</u>		<u>\$158,447,544</u>	<u>\$113,950</u>	<u>\$ 6,115,010</u>	<u>\$14,630,664</u>
<u>DEDUCT:</u>									
Fixed capital assets	600,372,096	600,372,096							
Warrants and Payrolls			5,947,576						
Warrants outstanding	5,947,576								
Bond interest matured -			58,337						
unpaid	58,337								
Bonds matured - unpaid	47,200		47,200						
Audit adjustments	402		402						
Reserves - securities							113,950		
deposits on leases	113,950								
Inventories and									
deferred charges	14,630,664								14,630,664
Total	<u>621,170,225</u>	<u>600,372,096</u>	<u>6,053,515</u>				<u>113,950</u>		<u>14,630,664</u>
<u>ADD:</u>									
Warrants recorded in June,									
1955 issued in July,									
1955 (Public Service									
Enterprises)	1,290,930		1,290,930						
Accounts receivable reserves	4,713,723			3,360,045	\$ 1,353,678				
Bonds unsold	51,235,000				51,235,000				
Interfund accounts	13,117,359							13,117,359	
Total	<u>70,357,012</u>		<u>1,290,930</u>	<u>3,360,045</u>	<u>52,588,678</u>			<u>13,117,359</u>	
FUNDS BALANCE SHEET - EXHIBIT H	<u>\$323,219,008</u>	<u>\$--</u>	<u>\$80,742,859</u>	<u>\$12,208,158</u>	<u>\$52,588,678</u>	<u>\$158,447,544</u>	<u>\$--</u>	<u>\$19,232,369</u>	<u>\$--</u>



**San Francisco Water Department**  
AND  
HETCH HETCHY WATER SUPPLY AND POWER PROJECT  
•  
REPORT ON EXAMINATION OF FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1955

# SKINNER & HAMMOND

CERTIFIED PUBLIC ACCOUNTANTS

ONE ELEVEN SUTTER  
SAN FRANCISCO 4

September 8, 1955

The Honorable Harry D. Ross, Controller,  
City and County of San Francisco  
San Francisco, California

Dear Sir:

In accordance with your instructions, and under the terms of an agreement with you dated February 7, 1955, we have examined the combining balance sheet of the Water Department and the Hetch Hetchy Water Supply and Power Project of the City and County of San Francisco as of June 30, 1955, and the related combining statements of revenues and expenses and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary.

Our report, audit program, and working papers in connection with this examination have been made available to Mr. David F. Supple, consultant and statistician for the Grand Jury.

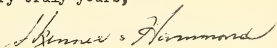
## OPINION

In our opinion, the accompanying combining balance sheet and related combining statements of revenues and expenses and surplus present fairly the financial position of the Water Department and the Hetch Hetchy Water Supply and Power Project at June 30, 1955, and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

We attach the following:

<u>EXHIBIT A</u>	<u>COMBINING BALANCE SHEET</u>	<u>JUNE 30, 1955</u>
<u>EXHIBIT B</u>	<u>COMBINING STATEMENT OF REVENUES AND EXPENSES</u>	<u>YEAR ENDED JUNE 30, 1955</u>
<u>EXHIBIT C</u>	<u>COMBINING STATEMENT OF SURPLUS</u>	<u>YEAR ENDED JUNE 30, 1955</u>
<u>SCHEDULE 1</u>	<u>COMBINED SUMMARY OF PROPERTY, PLANT, AND EQUIPMENT AND RELATED PROVISIONS FOR DEPRECIATION</u>	<u>JUNE 30, 1955</u>
<u>4 PAGES</u>	<u>NOTES TO FINANCIAL STATEMENTS</u>	<u>JUNE 30, 1955</u>

Very truly yours,



Certified Public Accountants

EXHIBIT A  
CITY AND COUNTY OF SAN FRANCISCO  
WATER DEPARTMENT  
HETCH HETCHY WATER SUPPLY AND POWER PROJECT  
COMBINING BALANCE SHEET

JUNE 30, 1955

<u>A S S E T S</u>	<u>COMBINED</u>	<u>ELIMINATIONS</u>	<u>WATER DEPARTMENT</u>	<u>HETCH HETCHY WATER SUPPLY AND POWER PROJECT</u>
<u>PROPERTY, PLANT, AND EQUIPMENT (Note 1 and Schedule 1):</u>				
In service:				
Tangible property	\$214,232,962.17		\$94,799,974.29	\$119,432,987.88
Intangible property	5,958,543.00		3,222,913.00	2,735,630.00
Not in service:				
Tangible property	<u>1,980,185.31</u>		<u>1,513,169.47</u>	<u>467,015.84</u>
Less: Provision for depreciation	\$222,171,690.48		\$99,536,056.76	\$122,635,633.72
	<u>66,412,378.95</u>		<u>32,577,728.38</u>	<u>33,834,650.57</u>
Less: Provision for doubtful accounts	\$155,759,311.53		\$66,958,328.38	\$88,800,983.15
	<u>7,901,788.79</u>		<u>655,975.75</u>	<u>7,245,813.04</u>
Under construction	<u>\$163,661,100.32</u>		<u>\$67,614,304.13</u>	<u>\$96,046,796.19</u>
<u>CASH:</u>				
On deposit with Treasurer	\$ 14,232,769.15		\$ 6,708,173.01	\$ 7,524,596.14
Revolving funds	<u>34,000.00</u>		<u>30,000.00</u>	<u>4,000.00</u>
	<u>\$ 14,266,769.15</u>		<u>\$ 6,738,173.01</u>	<u>\$ 7,528,596.14</u>
<u>ACCOUNTS RECEIVABLE (Note 2):</u>				
Consumers' accounts	\$ 1,269,632.46		\$ 1,977,245.35	\$ 292,387.11
Other accounts	<u>49,966.08</u>		<u>49,966.08</u>	
	\$ 1,319,598.54		\$ 1,027,211.43	\$ 292,387.11
Less: Provision for doubtful accounts	<u>16,233.96</u>		<u>16,233.96</u>	
	<u>\$ 1,303,364.58</u>		<u>\$ 1,010,977.47</u>	<u>\$ 292,387.11</u>
<u>DUE FROM CITY AND COUNTY OF SAN FRANCISCO:</u>				
Other public service departments	\$ 429,050.56	\$ 60,633.24	\$ 4,591.49	\$ 485,092.31
General departments and funds	<u>29,871.12</u>	<u>46,253.12</u>	<u>2,778.22</u>	<u>66,346.02</u>
	<u>\$ 458,921.68</u>	<u>\$106,886.36</u>	<u>\$ 7,369.71</u>	<u>\$ 551,438.33</u>
<u>DEFERRED CHARGES AND OTHER ASSETS:</u>				
Materials and supplies	\$ 535,631.90		\$ 483,908.90	\$ 51,723.00
Commitments for goods and services not received (contra)	<u>4,725,476.71</u>		<u>569,500.10</u>	<u>4,155,976.61</u>
Deposits and other accounts	<u>57,781.58</u>		<u>54,703.23</u>	<u>3,078.35</u>
	<u>\$ 5,318,890.19</u>		<u>\$ 1,108,112.23</u>	<u>\$ 4,210,777.96</u>
<u>TOTAL ASSETS</u>	<u>\$185,002,045.92</u>	<u>\$106,886.36</u>	<u>\$76,478,936.55</u>	<u>\$108,629,995.73</u>

The accompanying notes to financial statements are an integral part of this balance sheet.

EXHIBIT A  
CITY AND COUNTY OF SAN FRANCISCO  
WATER DEPARTMENT  
HECHT HECHT WATER SUPPLY AND POWER PROJECT

COMBINING BALANCE SHEET

JUNE 30, 1955

LIABILITIES

ROUNDED DEBT (Note 3):  
Matured bonds not presented for payment  
Maturities of bonds presented for payment  
Maturities of bonds maturing after June 30, 1956

BOND INTEREST PAYABLE:

Accrued interest on bonds not presented for payment  
Interest on bonds maturing July 1, 1955  
Accrued, not due

ACCOUNTS PAYABLE AND COMMITMENTS:

Warrants outstanding and payroll deductions payable  
Accounts payable to contractors  
Retained percentages due contractors  
Accounts payable to vendors  
Commitments for goods and services not received (contra)

CONSUMERS' DEPOSITS AND CONSTRUCTION ADVANCES

DUE TO CITY AND COUNTY OF SAN FRANCISCO:  
Transfers to City and County  
General departments and funds (Note 4)

RESERVE:

Women's compensation claims, employees' vacation pay,  
and other reserves (Note 5)  
Consumers' accounts subject to adjustment (Note 2)  
Other

SURPLUS - EXHIBIT C

TOTAL LIABILITIES, RESERVES,  
DEFERRED CREDITS, AND SURPLUS

	ELIMINATIONS	WATER DEPARTMENT	HECHT HECHT WATER SUPPLY AND POWER PROJECT
\$ 38,000.00		\$ 15,000.00	\$ 23,000.00
5,102,000.00		1,000,000.00	4,102,000.00
62,488,000.00		15,000,000.00	47,488,000.00
<u>\$ 67,826,000.00</u>		<u>\$ 16,015,000.00</u>	<u>\$ 51,811,000.00</u>
\$ 47,811.25		\$ 9,990.00	\$ 37,821.25
987,000.00		366,000.00	621,000.00
121,436.42		121,436.42	
<u>\$ 1,152,337.67</u>		<u>\$ 365,350.00</u>	<u>\$ 786,987.67</u>
\$ 515,137.68		\$ 158,715.92	\$ 356,421.76
283,270.07		346,079.42	71,801.45
544,772.18		22,644.42	522,127.76
<u>\$ 1,343,179.93</u>		<u>\$ 527,439.76</u>	<u>\$ 815,740.17</u>
\$ 4,725,476.71		\$ 659,500.10	\$ 4,065,976.61
<u>\$ 5,168,656.64</u>		<u>\$ 3,095,239.86</u>	<u>\$ 2,073,416.78</u>
\$ 158,981.89		\$ 158,212.71	\$ 702.18
\$ 13,679.67	\$ 60,632.24	\$ 59,680.72	\$ 13,632.19
<u>\$ 107,679.47</u>	<u>\$ 6,251.12</u>	<u>\$ 127,751.55</u>	<u>\$ 26,176.04</u>
<u>\$ 120,354.11</u>	<u>\$ 105,883.36</u>	<u>\$ 187,432.87</u>	<u>\$ 39,808.23</u>
\$ 266,948.95		\$ 244,979.90	\$ 21,968.05
256,147.00		256,147.00	
10,659.88		10,659.88	
<u>\$ 533,755.83</u>		<u>\$ 511,826.78</u>	<u>\$ 21,929.05</u>
\$ 109,041,976.45		\$ 58,139,509.93	\$ 50,902,466.52
<u>\$ 85,002,045.92</u>	<u>\$ 105,805.16</u>	<u>\$ 76,478,976.45</u>	<u>\$ 8,623,069.47</u>

The accompanying notes to financial statements are an integral part of this balance sheet.

EXHIBIT BCITY AND COUNTY OF SAN FRANCISCOWATER DEPARTMENT  
HETCH HETCHY WATER SUPPLY AND POWER PROJECTCOMBINING STATEMENT OF REVENUES AND EXPENSESYEAR ENDED JUNE 30, 1955

	<u>COMBINED</u>	<u>ELIMINATIONS</u>	<u>WATER DEPARTMENT</u>	<u>HETCH HETCHY WATER SUPPLY AND POWER PROJECT</u>
<u>OPERATING REVENUES (Note 2):</u>				
Water sales	\$12,683,905.65	\$4,030,000.00	\$12,683,905.65	\$4,030,000.00
Electrical energy sales	4,526,289.21			4,526,289.21
<u>Total Operating Revenues</u>	<u>\$17,210,194.86</u>	<u>\$4,030,000.00</u>	<u>\$12,683,905.65</u>	<u>\$8,556,289.21</u>
<u>OPERATING EXPENSES:</u>				
Standby charge and purchases of water	\$	\$4,030,000.00	\$ 4,030,000.00	\$
Purchases of electrical energy	827,497.49			827,497.49
Production expenses	533,084.45			533,084.45
Source of water supply	450,365.88		450,365.88	
Pumping	405,255.59		405,255.59	
Purification	145,554.47		145,554.47	
Transmission and distribution	2,393,339.51		1,010,519.81	1,382,819.70
Commercial expenses	620,488.45		606,089.33	14,399.12
Administrative and general expenses	1,877,299.94		1,408,979.03	468,320.91
Provision for doubtful accounts	52,912.95		52,912.95	
Provision for depreciation	3,003,811.80		1,178,804.64	1,825,007.16
<u>Total Operating Expenses</u>	<u>\$10,309,610.53</u>	<u>\$4,030,000.00</u>	<u>\$ 9,288,481.70</u>	<u>\$5,051,128.83</u>
	<u>\$ 6,900,584.33</u>		<u>\$ 3,395,423.95</u>	<u>\$3,505,160.38</u>
<u>OTHER REVENUES:</u>				
Gain from sales of properties	\$ 190,717.26		\$ 190,717.26	\$
Rentals received, including crop sales	347,332.05		320,072.36	27,259.69
Interest earned	17,106.19		17,106.19	
Miscellaneous	65,468.29		51,013.18	14,455.11
<u>Total Other Revenues</u>	<u>\$ 620,623.79</u>		<u>\$ 578,908.99</u>	<u>\$ 41,714.80</u>
	<u>\$ 7,521,208.12</u>		<u>\$ 3,974,332.94</u>	<u>\$3,546,875.18</u>
<u>OTHER EXPENSES:</u>				
Interest on bonded debt	\$ 2,447,915.17		\$ 875,663.98	\$1,572,251.19
Agricultural division and crop expenses	63,404.60		63,404.60	
Miscellaneous expense	36,808.72		20,319.17	16,489.55
<u>Total Other Expenses</u>	<u>\$ 2,548,128.49</u>		<u>\$ 959,387.75</u>	<u>\$1,588,740.74</u>
<u>EXCESS OF REVENUES OVER EXPENSES -</u>				
<u>Exhibit C</u>	<u>\$ 4,973,079.63</u>		<u>\$ 3,014,945.19</u>	<u>\$1,958,134.44</u>

The accompanying notes to financial statements are an integral part of this statement of revenues and expenses.

EXHIBIT CCITY AND COUNTY OF SAN FRANCISCOWATER DEPARTMENT  
HETCH HETCHY WATER SUPPLY AND POWER PROJECTCOMBINING STATEMENT OF SURPLUSYEAR ENDED JUNE 30, 1955

	<u>COMBINED</u>	<u>WATER DEPARTMENT</u>	<u>HETCH HETCHY WATER SUPPLY AND POWER PROJECT</u>
<u>BALANCE, JUNE 30, 1954</u>	\$102,794,376.33	\$55,989,628.52	\$46,804,747.81
<u>ADDITIONS:</u>			
Excess of revenues over expenses -			
Exhibit B	4,973,079.63	3,014,945.19	1,958,134.44
Advances from Federal government for			
Cherry Valley Reservoir	1,109,460.49		1,109,460.49
Contribution from Crocker Estate Company			
for relocation of Crystal Springs			
Pipeline at Brisbane	<u>165,000.00</u>	<u>165,000.00</u>	<u>                    </u>
	<u>\$109,041,916.45</u>	<u>\$59,169,573.71</u>	<u>\$49,872,342.74</u>
<u>INTERFUND TRANSFERS:</u>			
Bond redemption and interest on 1947			
Hetch Hetchy Water Bonds applicable			
to properties in service with the			
Water Department:			
Redemption		\$ (973,879.00)	\$ 973,879.00
Interest		(20,176.23)	20,176.23
Adjustment resulting from appraisal of			
properties at June 30, 1953		<u>(36,008.55)</u>	<u>36,008.55</u>
		<u>\$(1,030,063.78)</u>	<u>\$ 1,030,063.78</u>
<u>BALANCE, JUNE 30, 1955</u>	<u>\$109,041,916.45</u>	<u>\$58,139,509.93</u>	<u>\$50,902,406.52</u>

SCHEDULE 1

Page 1

CITY AND COUNTY OF SAN FRANCISCOWATER DEPARTMENTHETCH HETCHY WATER SUPPLY AND POWER PROJECTCOMBINED SUMMARY OF PROPERTY, PLANT, AND EQUIPMENTAND RELATED PROVISIONS FOR DEPRECIATIONJUNE 30, 1955

	<u>PROPERTY, PLANT, AND EQUIPMENT</u>	<u>PROVISIONS FOR DEPRECIATION</u>
<u>IN SERVICE:</u>		
Tangible property:		
Water Department:		
Land and rights of way	\$ 14,081,619.17	\$ 785,965.05
Buildings, structures, and grounds	1,531,715.58	8,262,031.02
Source of water supply	29,148,317.25	355,321.22
Pumping station equipment	1,380,098.01	102,144.73
Purification system	259,404.26	21,803,420.47
Transmission and distribution system	46,762,367.40	180,063.64
General equipment	342,181.39	254,136.48
Automotive equipment	404,036.93	310,878.04
Undistributed interest during construction	890,234.30	
	<u>\$ 94,799,974.29</u>	<u>\$32,053,960.65</u>
Hetch Hetchy Water Supply and Power Project:		
Water supply:		
Land and rights of way	\$ 2,700,951.87	\$ 55,580.74
Buildings, structures, and grounds	599,599.25	150,724.82
Source of water supply	102,446,907.83	25,794,205.38
Purification system	37,313.93	26,440.89
General equipment	330,190.70	210,748.84
	<u>\$106,114,963.58</u>	<u>\$26,237,700.67</u>
Power supply:		
Land and rights of way	\$ 143,539.06	\$ 1,056,170.09
Buildings, structures, and grounds	1,900,641.75	4,300,707.53
Hydraulic production plant	8,230,681.75	2,114,064.51
Transmission system	2,696,181.53	94,226.50
General equipment	346,980.21	
	<u>\$ 13,318,024.30</u>	<u>\$ 7,565,168.63</u>
	<u>\$119,432,987.88</u>	<u>\$33,802,869.30</u>
<u>Total Tangible Property In Service</u>	<u>\$214,232,962.17</u>	<u>\$65,856,829.95</u>
Intangible property:		
Water Department:		
Water rights and other intangible property	\$ 3,222,913.00	
Hetch Hetchy Water Supply and Power Project:		
Water rights and other intangible property	<u>2,735,630.00</u>	
<u>Total Intangible Property In Service</u>	<u>\$ 5,958,543.00</u>	
<u>NOT IN SERVICE:</u>		
Tangible property:		
Water Department	\$ 1,513,169.47	\$ 523,767.73
Hetch Hetchy Water Supply and Power Project	<u>467,015.84</u>	<u>31,781.27</u>
<u>Total Tangible Property Not In Service</u>	<u>\$ 1,980,185.31</u>	<u>\$ 555,549.00</u>
<u>Forward</u>	<u>\$222,171,690.48</u>	<u>\$66,412,378.95</u>



SCHEDULE 1

Page 2

CITY AND COUNTY OF SAN FRANCISCOWATER DEPARTMENTHETCH HETCHY WATER SUPPLY AND POWER PROJECTCOMBINED SUMMARY OF PROPERTY, PLANT, AND EQUIPMENTAND RELATED PROVISIONS FOR DEPRECIATIONJUNE 30, 1955

	<u>PROPERTY, PLANT, AND EQUIPMENT</u>	<u>PROVISIONS FOR DEPRECIATION</u>
<u>Forward</u>	<u>\$222,171,690.48</u>	<u>\$66,412,378.95</u>
<u>UNDER CONSTRUCTION:</u>		
Water Department:		
Sunset supply line	\$ 304,323.82	
Guadalupe by-pass	175,152.26	
Fluoridation plants	43,037.54	
Water mains	29,951.84	
Other	103,510.29	
	<u>\$ 655,975.75</u>	
Hetch Hetchy Water Supply and Power Project:		
Cherry Valley dam	\$ 7,144,656.08	
Sunset supply line	65,960.98	
Other	35,195.98	
	<u>\$ 7,245,813.04</u>	
<u>Total Property Under Construction</u>	<u>\$ 7,901,788.79</u>	
<u>TOTAL PROPERTY, PLANT, AND EQUIPMENT</u>	<u>\$230,073,479.27</u>	<u>\$66,412,378.95</u>

ADDITIONS TO COMBINED PROPERTIESYEAR ENDED JUNE 30, 1955

Water Department:		
Land and rights of way	\$ 45,706.41	
Replace Crystal Springs 44" pipeline	713,909.99	
Recondition Calaveras pipeline	166,952.81	
Replace trestle bents on Niles-Irvington pipeline	21,989.06	
Replace cottage at Crystal Springs	19,594.81	
Water mains, meters, connections, etc.	713,496.12	
Other	94,018.46	
		<u>\$ 1,775,667.66</u>
Hetch Hetchy Water Supply and Power Project:		
Reconstruct Moccasin penstock anchor	\$ 65,037.41	
Reline portion of San Joaquin pipeline No. 1	335,083.54	
Two duplex dwellings at Cherry Valley dam site	23,245.81	
Reconstruct Mather substation	17,435.52	
Transformer bank No. 10 at Moccasin	11,583.83	
Other	44,174.25	
		<u>496,560.36</u>

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT  
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1955

NOTE 1.

Section 128 of the Charter of the City and County of San Francisco provides that the Public Utility Commission make an appraisal of properties and a redetermination of depreciation every five years. All adjustments resulting from these appraisals, beginning with the initial appraisal as of June 30, 1938, and including the most recent appraisal as of June 30, 1953, are reflected in the accounts at June 30, 1955. Additions to properties subsequent to June 30, 1953, have been recorded at cost. Depreciation for the year ended June 30, 1955, is based upon rates as set forth in the appraisal as of June 30, 1953.

Major construction projects in progress at June 30, 1955, have estimated total costs of \$13,880,000.00. Costs to complete these projects, exclusive of amounts representing portions placed in service and construction in progress, are estimated at \$7,013,900.00 at that date.

The total costs of construction of the Cherry Valley Reservoir and appurtenant facilities are estimated at \$14,200,000.00. A portion of the funds necessary for construction is provided by the Federal government under provisions of a contract, dated August 29, 1949, between the Federal government and the City and County of San Francisco, Turlock Irrigation District, and Modesto Irrigation District, relating to facilities for additional protection against floods of the Tuolumne River. A further portion of the funds necessary for construction is provided by the City and County of San Francisco under an authorized bond issue of \$4,000,000.00

The funds from the Federal government for the flood protection program under the contract dated August 29, 1949, are estimated in the contract at \$12,000,000.00. By supplemental agreement between the City and County of San Francisco, Turlock Irrigation District, and Modesto Irrigation District, \$9,000,000.00 of the funds to be received from the Federal government are to be expended toward the construction of Cherry Valley Reservoir and appurtenances and the remainder of such funds in the amount of \$3,000,000.00 are to be expended toward the construction of a new dam and reservoir at Don Pedro. At June 30, 1955, the Federal government had paid \$8,222,810.72 pursuant to the contract. The payments received have been included in surplus of the Hetch Hetchy Water Supply and Power Project in the fiscal years received, upon advice of the City Attorney. The conditions of the contract with the Federal government are subject, on the part of the government, to the authorization and the appropriation by Congress of funds for the accomplishment of the objectives of the contract. As of July 29, 1953, the amount authorized by Congress was \$10,500,000.00 of which \$8,469,900.00 has been appropriated.

The supplemental agreement between the City and County of San Francisco, Turlock Irrigation District, and Modesto Irrigation District provides generally that title to the Cherry Valley Reservoir will vest in the City and County of San Francisco. This agreement further provides that the City and County of San Francisco will participate in the construction of a new Don Pedro Dam and Reservoir, title to which will vest in the irrigation districts. Participation in the construction of the new dam and reservoir at Don Pedro is subject, on the part of the City and County of San Francisco, to the fiscal provisions of its Charter and prior approval by the electors.

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT  
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1955

TE 2.

Revenues from water and power services furnished to consumers are taken into income when billed. In general, major industrial consumers of water and all consumers of electrical energy are billed monthly. All other consumers of water are billed bi-monthly.

The combining statement of revenues and expenses, Exhibit B, attached, does not include recorded revenue from water delivered to Municipal Departments without charge, which, if billed at regular rates, would have resulted in additional revenue of \$739,564.57 to the Water Department, nor does the statement include a charge of an equal amount for municipal tax expense which is also reflected on the records of the Water Department. This amount of \$739,564.57 was computed and recorded in token of compliance with Section 64 of the Charter which provides that the accounts of each utility shall be maintained in such manner as to reflect estimates of the amount of taxes chargeable against property and the revenue of the utility if the latter were privately owned and operated.

Certain consumers entered into contracts with the Spring Valley Water Co. which contracts entitled these consumers to water at reduced rates or free of charge. These contracts were assumed by the Water Department upon acquisition of that Company's facilities by the City and County of San Francisco. Based upon a legal opinion by the City Attorney that these contracts were illegal and unenforceable, the Water Department billed these consumers additional amounts representing the difference between the contract rates and scheduled rates as applied to water delivered under these contracts during the period November 17, 1950, to June 30, 1955. Certain of these consumers filed claims against the City and County of San Francisco contesting the legality of the cancellation of these contracts, and for damages resulting therefrom.

Reserves aggregating \$256,147.00 have been established by the Water Department to fully provide for possible adjustments of these additional charges. No provision has been made on the attached balance sheet for damages resulting from cancellation of these contracts, if any.

TE 3.

The combined bonded debt of the City and County of San Francisco applicable to the San Francisco Water Department and the Hetch Hetchy Water Supply and Power Project aggregated \$67,826,000.00 at June 30, 1955. This indebtedness was incurred upon the general faith and credit of the City and County of San Francisco and is summarized as follows:

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT  
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1955

	<u>MATURED</u>	<u>UNMATURED</u>	<u>TOTAL</u>
<u>WATER DEPARTMENT:</u>			
Spring Valley, July 1, 1928 - 4-1/2%	\$15,000.00	\$16,000,000.00	\$16,015,000.00
<u>HETCH HETCHY WATER SUPPLY AND POWER PROJECT:</u>			
Water, July 1, 1910 - 4-1/2%	5,000.00	10,000,000.00	10,005,000.00
Hetch Hetchy Water, January 1, 1925- 5%	2,000.00	3,500,000.00	3,502,000.00
Hetch Hetchy, July 1, 1928 - 4-1/2%		13,800,000.00	13,800,000.00
Hetch Hetchy, June 1, 1932 - 2-3/4% to 5-3/4%	11,000.00	3,100,000.00	3,111,000.00
1947 Hetch Hetchy Water:			
Series A, February 1, 1948 - 2% and 2-1/2%	5,000.00	4,875,000.00	4,880,000.00
Series C, March 1, 1949 - 1-1/4%		750,000.00	750,000.00
Series D, November 1, 1949 - 1% to 1-1/2%		6,952,000.00	6,952,000.00
Series E, September 1, 1950 - 1-1/4% and 1-1/2%		3,676,000.00	3,676,000.00
Series F, August 1, 1953 - 2-1/4% to 6%		1,585,000.00	1,585,000.00
1949 Cherry Valley Dam:			
Series A, March 1, 1952 - 1-1/4% and 1-1/2%		850,000.00	850,000.00
Series B, December 1, 1952 - 1-1/2% and 1-3/4%		2,700,000.00	2,700,000.00
	<u>\$38,000.00</u>	<u>\$67,788,000.00</u>	<u>\$67,826,000.00</u>

In general, the bonds mature serially in varying annual amounts through the fiscal year ending June 30, 1978. A summary of maturities for the succeeding five years follows:

YEAR ENDING  
JUNE 30,

1956	\$5,217,000.00
1957	4,973,000.00
1958	4,972,000.00
1959	4,972,000.00
1960	4,972,000.00

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT  
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1955

- NOTE 4. Amounts due to general departments and funds of the City and County of San Francisco aggregating \$107,674.47 include an estimated liability of \$45,389.34 to the Employees' Retirement System for contributions due thereto as of June 30, 1955, together with accounts payable to the Retirement System for certain medical and operating expenses. The actual liability at June 30, 1955, for the aforementioned contributions was not determinable at the date of this report.
- NOTE 5. Prior to the year ended June 30, 1955, the Water Department acted as self-insurer against casualty losses of property; against public liability, property damage, and workmen's compensation claims; and against other losses, excluding boiler explosion, burglary, plate glass and automobile public liability and property damage losses. During the fiscal year ended June 30, 1955, the Department purchased coverage from an insurance carrier against casualty losses of buildings with the exception of certain buildings having nominal values. As of the date of this report, the Department had entered into negotiations to purchase coverage from insurance carriers against public liability and property damage claims.
- Prior to the year ended June 30, 1955, the Hetch Hetchy Water Supply and Power Project acted as self-insurer against casualty losses of property; against workmen's compensation claims; and against other losses, excluding public liability and property damage losses. During the fiscal year ended June 30, 1955, the Department purchased coverage from an insurance carrier against casualty losses of buildings with the exception of certain buildings having nominal values.
- NOTE 6. Under provisions of Section 122 of the Charter of the City and County of San Francisco, the Hetch Hetchy Water Supply and Power Project is to be merged, upon its completion, with the Water Department. In the opinion of the City Attorney, this project had not been completed at June 30, 1955.
- NOTE 7. The San Francisco Water Department was contingently liable as of June 30, 1955, under various property damage, personal injury, and water rate suits. The Hetch Hetchy Water Supply and Power Project was contingently liable as of June 30, 1955, under various suits for alleged damages to wells and springs. The aggregate amount of actual liability on these suits is indeterminable as of the date of this report.
- The Federal government filed an action against the City and County of San Francisco, which held that the latter was liable for the sum of \$27,313.32 representing costs of road maintenance chargeable to Hetch Hetchy Water Supply and Power Project under the provisions of the Raker Act. As of the date of this report, a writ of certiorari is pending before the United States Supreme Court.



# Municipal Railway of San Francisco



REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 1955

BARLOW, DAVIS & WOOD

CERTIFIED PUBLIC ACCOUNTANTS

HOBART BUILDING  
582 MARKET STREET  
SAN FRANCISCO 4  
GARFIELD 1-2992

Honorable H. D. Ross,  
Controller, City and  
County of San Francisco  
San Francisco, California

Dear Sir:

We have examined the balance sheet of the Municipal Railway of San Francisco as of June 30, 1955 and the related statements of income and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We now submit our report on the examination consisting of our comments on operations and on the balance sheet together with related statements as set forth in the index appended hereto.

RESULTS OF OPERATIONS

The following comments are submitted for the purpose of further amplification and explanation of the financial statements and to set forth the apparent causes of certain operating results. Much of the statistical data contained in these comments has been obtained from records maintained by the Railway without verification by us.



The operations of the Railway for the year ended June 30, 1955 resulted in a loss of \$1,153,078.19 as compared with a loss of \$882,472.90 for the preceding year. A condensed summary and comparison of the results of operations for the years ended June 30, 1955 and 1954, is as follows (cents omitted):

	<u>Year ended June 30,</u>		<u>Increase</u>
	<u>1955</u>	<u>1954</u>	<u>(Decrease)</u>
Operating income:			
Passenger revenue	\$20,898,346	\$21,976,748	\$(1,078,402)
Advertising, rents, etc.	189,197	160,877	28,320
Total operating income	<u>21,087,543</u>	<u>22,137,625</u>	<u>(1,050,082)</u>
Operating expenses	<u>22,018,205</u>	<u>22,682,179</u>	<u>( 663,974)</u>
Loss from operations	930,662	544,554	386,108
Other income	44,324	24,498	19,826
Remainder	<u>886,338</u>	<u>520,056</u>	<u>366,282</u>
Other expense	266,740	362,417	( 95,677)
Loss for the year	<u>\$ 1,153,078</u>	<u>\$ 882,473</u>	<u>\$ 270,605</u>

The decrease in passenger revenue was largely attributable to a decrease in the number of fare passengers carried. The basic cash fare of fifteen cents remained unchanged during the year except for the five cent Shoppers' Shuttle Bus service, with no transfer privilege. This service was put into effect on September 14, 1953 in the downtown area between the hours of 10:00 A.M. and 3:30 P.M. on weekdays and was extended to the "Mission Miracle Mile" on November 17, 1954.

The following summary, taken from statistical records of the Railway, shows the mileage traversed during the past two years by the various types of equipment.

Type of equipment	Year ended June 30,				Increase (Decrease) Mileage
	1955		1954		
	Mileage	Per Cent of total	Mileage	Per Cent of total	
Motor coaches	13,910,957	48.98	14,777,994	49.97	( 867,037)
Trolley coaches	9,950,268	35.04	9,966,056	33.69	( 15,788)
Electric street cars	4,051,040	14.26	4,039,163	13.66	11,877
Cable cars	<u>488,944</u>	<u>1.72</u>	<u>792,261</u>	<u>2.68</u>	( 303,317)
Totals	<u>28,401,209</u>	<u>100.00</u>	<u>29,575,474</u>	<u>100.00</u>	<u>(1,174,265)</u>

The hours the various types of equipment were operated, as compiled by the Railway, are shown by the following summary:

Type of equipment	Year ended June 30,				Decrease Hours
	1955		1954		
	Hours	Per Cent of total	Hours	Per Cent of total	
Motor coaches	1,410,430	45.16	1,486,362	45.81	75,932
Trolley coaches	1,190,071	38.10	1,190,709	36.70	638
Electric street cars	428,836	13.73	428,885	13.22	49
Cable cars	<u>94,041</u>	<u>3.01</u>	<u>138,343</u>	<u>4.27</u>	<u>44,302</u>
Totals	<u>3,123,378</u>	<u>100.00</u>	<u>3,244,299</u>	<u>100.00</u>	<u>120,921</u>

The overall reduction in both miles traveled and hours operated results primarily from the discontinuance of certain lines and the curtailment of service on various routes during off-peak hours.

Operating income and expenses are expressed in cents per mile traversed as follows:

	Cents Per Mile		
	Year ended June 30, 1955	1954	Increase (Decrease)
Operating income:			
Passenger revenue	73.583	74.307	( .724)
Advertising, rents, etc.	<u>.666</u>	<u>.544</u>	<u>.122</u>
Total operating income	<u>74.249</u>	<u>74.851</u>	<u>( .602)</u>
Operating expenses:			
Maintenance and repairs:			
Ways and Structures	2.466	2.548	( .082)
Equipment	<u>7.837</u>	<u>7.575</u>	<u>.262</u>
Total maintenance and repairs	10.303	10.123	.180
Power	7.640	7.805	( .165)
Conducting transportation	38.707	38.464	.243
General and miscellaneous	8.530	7.912	.618
Payroll taxes	<u>.727</u>	<u>.682</u>	<u>.045</u>
	65.907	64.986	.921
Provision for accident claims	5.519	5.573	( .054)
Provision for depreciation	<u>6.100</u>	<u>6.134</u>	<u>( .034)</u>
Total operating expense	<u>77.526</u>	<u>76.693</u>	<u>.833</u>
Loss from operations	<u>3.277</u>	<u>1.842</u>	<u>1.435</u>

Operating income and expenses are expressed in dollars per hour of operation as follows:

	Dollars Per Hour		
	Year ended June 30,	1954	Increase
	1955		(Decrease)
Operating income:			
Passenger revenue	6.691	6.774	(.083)
Advertising, rents, etc.	<u>.061</u>	<u>.049</u>	<u>.012</u>
Total operating income	<u>6.752</u>	<u>6.823</u>	<u>(.071)</u>
Operating expenses:			
Maintenance and repairs:			
Ways and structures	.224	.232	(.008)
Equipment	<u>.713</u>	<u>.691</u>	<u>.022</u>
Total maintenance and repairs	.937	.923	.014
Power	.695	.711	(.016)
Conducting transportation	3.520	3.507	.013
General and miscellaneous	.775	.721	.054
Payroll taxes	<u>.066</u>	<u>.062</u>	<u>.004</u>
	5.993	5.924	.069
Provision for accident claims	.502	.508	(.006)
Provision for depreciation	<u>.555</u>	<u>.559</u>	<u>(.004)</u>
Total operating expense	<u>7.050</u>	<u>6.991</u>	<u>.059</u>
Loss from operations	<u>.298</u>	<u>.168</u>	<u>.130</u>

The following summarizes the decrease in operating expenses for the year ended June 30, 1955 as compared with the preceding year, displaying the major expense classifications segregated between payroll and other costs (cents omitted):

	Increase (Decrease) In Operating Expenses		
	<u>Total</u>	<u>Payroll</u>	<u>Other</u>
Maintenance and repairs:			
Ways and structures	\$( 53,132)	\$( 9,839)	\$( 43,293)
Equipment	( 14,613)	31,697	( 46,310)
	( 67,745)	21,858	( 89,603)
Power	(138,288)	6,253	(144,541)
Conducting transportation	(382,699)	(386,963)	4,264
General and miscellaneous	82,658	42,740	39,918
Payroll taxes	4,868		4,868
	(501,206)	(316,112)	(185,094)
Provision for accident claims	( 80,887)		( 80,887)
Provision for depreciation	( 81,881)		( 81,881)
(Decrease) in operating expenses	<u>\$(663,974)</u>	<u>\$(316,112)</u>	<u>\$(347,862)</u>

The decrease of \$386,963 in conducting transportation payroll expense consists of a decline in operators' wages of \$395,373 less an increase in other salaries and wages totaling \$8,410. The reduction in operators' wages has been analyzed as follows:

Decreases:

Decline in operations, determined by applying percent of decrease in equipment operating hours against 1953-54 total wages paid as to each equipment classification	\$ 377,000
Change from two-man to one-man operation of certain street car runs starting in September, 1954 - 114,839 hours at \$1.894 per hour (1953-54 rate)	<u>218,000</u>
	595,000

Increases:

Operators' wage rate increase of 1.85%	\$ 159,000
Balance, reason undetermined	<u>40,627</u>
	199,627
Net decrease	<u>\$ 395,373</u>

The increases in other payroll costs resulted primarily from the increases in pay rates effective July 1, 1954. Comparative rates for some of the principal payroll classifications for the year under review and for the preceding year follow:

<u>Classification</u>	<u>Rates Effective</u>		
	<u>Per</u>	<u>July 1, 1954</u>	<u>July 1, 1953</u>
Platform men	Hour	\$ 1.939	\$ 1.894
Trackmen	Day	16.40	16.00
Shop mechanics	Day	17.17	17.00
Senior shop mechanics	Day	20.20	20.00
Automotive mechanics	Week	98.50	94.50
Automotive machinists	Week	103.50	99.50
Car cleaners and janitors	Month	255-305	245-295
Inspectors	Month	360-410	350-400
General clerks	Month	265-325	260-320

Power costs other than payroll show a decrease of \$144,541 from the preceding year of which \$121,078 is accounted for by a decline in motor coach gasoline and diesel fuel costs resulting primarily from a 5.87% decrease in miles of operation and a gasoline price reduction of 5.35%.

### FINANCIAL CONDITION

Presented below is a summary of the Railway's balance sheet with comparative amounts at June 30, 1954.

	<u>1955</u>	<u>June 30,</u> <u>1954</u>	<u>Increase</u> <u>(Decrease)</u>
<b>ASSETS:</b>			
Fixed capital			
(Net book value)	\$17,473,845.98	\$19,124,321.49	\$(1,650,475.51)
Cash	3,826,156.46	2,124,372.62	1,701,783.84
Accounts receivable	52,520.93	76,827.22	( 24,306.29)
Deferred charges:			
Materials and			
supplies	717,846.56	746,433.26	( 28,586.70)
Other items	17,764.58	42,015.34	( 24,250.76)
Commitments	496,037.26	115,918.77	380,118.49
<b>TOTAL</b>	<u>\$22,584,171.77</u>	<u>\$22,229,888.70</u>	<u>\$ 354,283.07</u>
<b>LIABILITIES AND SURPLUS:</b>			
Bonded debt	13,868,200.00	15,498,200.00	(1,630,000.00)
Bond interest payable	96,431.88	104,842.08	( 8,410.20)
Accounts payable, commitments, etc.	1,803,345.51	1,484,714.74	318,630.77
Reserves	3,001,108.25	3,086,549.90	( 85,441.65)
Deferred credits	12,310.10	14,730.10	( 2,420.00)
Contributed surplus	11,273,765.21	8,340,917.62	2,932,847.59
Deficit from operations	(7,470,989.18)	(6,300,065.74)	(1,170,923.44)
<b>TOTAL</b>	<u>\$22,584,171.77</u>	<u>\$22,229,888.70</u>	<u>\$ 354,283.07</u>

The increase in cash as of June 30, 1955, as compared with June 30, 1954, is explained by the following summary of funds provided and funds applied:

Funds provided:

From income before deducting charges which do not represent the expenditure of cash	\$ 634,797.34
(Represented by the net loss for the year of \$1,153,078.19 offset by non-cash charges for depreciation, \$1,732,383.04; fixed capital assets retired, \$54,436.73 and obsolescence of materials and supplies, \$1,055.76)	
Decrease in construction work in progress	100,614.18
Decrease in accounts receivable - net	24,306.29
Decrease in materials and supplies (net of \$26,033.44 write-off to deficit from operations of metal token inventory - Exhibit "C" and valuation adjustment of \$1,055.76 charged to operations - see above)	1,497.50
Decrease in deferred charges	24,250.76
Contributions from General Fund of the City and County of San Francisco:	
From general taxes for operating expenses	2,077,027.59
From unappropriated balance for rearrangement of cable car lines	855,820.00
Prior year adjustment by Controller	<u>5,816.63</u>
	3,724,130.29

Funds applied:

Additions to fixed capital assets	\$ 236,565.61	
Redemption of bonded indebtedness	1,630,000.00	
Decrease in bond interest payable	8,410.20	
Decrease in accounts payable	61,487.72	
Decrease in reserves:		
Accident claims	73,476.66	
Employees' compensation claims	7,000.00	
Token liability (net of \$4,632.33 write-off charged to deficit from operations - Exhibit "C")	332.66	
Decrease in deferred credits	2,420.00	
Payment of retroactive vacation pay - Exhibit "C"	<u>2,653.60</u>	<u>2,022,346.45</u>

Increase in cash as of June 30, 1955 \$1,701,783.84

Road and Equipment - \$41,564,555.12  
Accumulated Depreciation - \$24,128,249.12

The recorded value of the Railway's investment in fixed assets, other than construction work in progress at June 30, 1955, is set forth in the accompanying Schedule "1". The related depreciation is shown in Schedule "2".

A substantial portion of the fixed assets is recorded in the accounts at appraisal valuations as of various dates determined by the Public Utilities Commission of the City and County of San Francisco.

Properties acquired prior to June 30, 1938 are recorded at appraisal valuations as of that date. Additions to property, subsequent to June 30, 1938, are recorded substantially at cost with the exception of the Market Street Extension which was recorded at the appraisal valuations as of September 29, 1944. Properties acquired from California Street Cable Railway Company were purchased with general funds of the City and County of San Francisco for \$150,000.00 and contributed to the Railway.

In accordance with Section 128 of the Charter, an appraisal of the properties of the Railway was made as at June 30, 1953 to determine the values, the probable useful life, and the reasonable annual depreciation based upon a revision of the previous appraisal made as at June 30, 1948. The net adjustments to the recorded costs and depreciation reserves resulting from this appraisal were recorded during the preceding fiscal year. However, certain corrections, as reflected by Schedules "1" and "2", were made during the current year.

The engineering report made by the Public Utilities Commission engineers in connection with the appraisal indicated that the recorded cost of non-operated track, roadway, and underground conduit at June 30, 1953, all fully depreciated, amounted to \$2,497,988.49. During the two ensuing years ending June 30, 1955, assets and related accumulated depreciation included in the above have been retired in the amount of \$1,750,488.91, leaving a balance at June 30, 1955 of \$747,499.58.



It is the practice of the Railway to make its first provision for depreciation of an addition to fixed assets in the year following that in which the asset is put in service, and to charge income with a full year's provision in the year of retirement.

Additions to road and equipment during the year ended June 30, 1955 are as follows:

Ways and structures:

Rehabilitation of 24th and Utah shops		\$165,605.30
Rearrangement and relocation of pole facilities:		
13th Street at freeway ramp	\$13,380.20	
Folsom Street between 14th and 16th Streets	<u>12,480.25</u>	25,860.45
Reconstruction of curves at San Jose and Ocean Avenues and installation of permanent overhead for trolley		15,458.18
Replacement of switches and tracks at various locations		9,704.93
Other		<u>1,527.46</u>
		218,156.32

Equipment:

Activation of 40 cars and conversion of 15 cars to one-man operations	16,944.70	
Shop equipment	<u>1,464.59</u>	<u>18,409.29</u>
TOTAL		<u>\$236,565.61</u>

The following is a summary of recorded retirements during the year ended June 30, 1955:

	<u>Road and equipment</u>	<u>Depreciation to date of retirement</u>
Ways and structures:		
Right of ways:		
Parcel #2 - Chenery Street near Diamond Street	\$ 1,000.00	\$
Parcel #3 - Diamond Street near Chenery Street	300.00	
Parcel #4 - Chenery Street near Carrie Street	10.00	
Land at Turk and Webster Streets	30,100.00	
Building at Turk and Webster Streets	15,740.00	15,740.00
Tracks, etc.:		
Cable tracks on Pine Street between Jones and Hyde Streets	467,199.00	463,125.69
Greenwich Street, Steiner to Lyon Streets; Union Street, Van Ness Avenue to Baker Street; Steiner Street, Union to Greenwich Streets; Baker Street, Union to Greenwich Streets	253,933.14	246,937.57
Onondaga Avenue, Mission Street to Ocean Avenue; Ocean Avenue, Onondaga to San Jose Avenues; San Jose Avenue, Niagara Avenue to County line; Brighton Avenue, Ocean to Grafton Avenues	220,463.35	219,456.57
Geary Boulevard, 33rd to 48th Avenues; 48th Avenue, Geary Boulevard to Point Lobos	127,217.66	126,874.82
Fourth Street from Market Street to Townsend Street	116,204.60	115,651.15
Switches replaced with straight track at various locations	9,343.44	9,168.39
Roadway machinery and tools - various locations (determined by physical inventory as not on hand)	15,036.67	14,298.11
Trolley poles at various locations	12,511.11	11,885.55
Overhead lines at various locations other than those included under "Track, etc.", above	29,598.63	25,158.83
Waiting station	351.80	351.80
	<u>1,299,009.40</u>	<u>1,248,648.48</u>
Equipment:		
Fourteen cable cars	154,969.50	154,969.50
Twenty-four motor coaches	244,483.64	241,281.84
Miscellaneous shop equipment - various locations (determined by physical inventory as not on hand)	29,450.80	28,627.79
Truck	1,031.00	980.00
	<u>429,934.94</u>	<u>425,859.13</u>
TOTAL RETIREMENTS	<u>\$1,728,944.34</u>	<u>\$1,674,507.61</u>

Cash - \$3,826,156.46

Cash at June 30, 1955 consisted of the following:

On deposit with the Treasurer of the City  
and County of San Francisco:

Operating fund \$3,703,146.65

1947 Municipal Railway Rehabilitation  
bond fund 105,719.81

Bond interest funds:

1947 Municipal Railway Rehabilitation  
bond fund 1,810.00

Issue of December 1, 1913 280.00

Bond redemption fund - Issue of

December 1, 1913 200.00

Total on deposit with Treasurer 3,811,156.46

Revolving funds 15,000.00

Total cash \$3,826,156.46

We examined a copy of the Treasurer's report reconciling the Treasurer's balances of the Operating fund and the 1947 Municipal Railway Rehabilitation bond fund at June 1, 1955, with the balances reflected by the Railway's books at June 30, 1955. The detail of warrants outstanding used in the Treasurer's reconciliation was determined by reference to the Controller's records. Warrants paid subsequent to June 30, 1955 were examined by us. We also examined originals and copies of warrants issued during the year on a test basis and compared them with the records of warrants issued as maintained by the Railway.

Revolving fund bank accounts were reconciled by us with amounts certified to us directly by the depositories, and cash funds were counted or confirmations were obtained from custodians for amounts shown to be in their possession.

Accounts Receivable - \$26,051.57

Following is the detail of accounts receivable as of  
June 30, 1955:

Fielder, Sorensen & Davis (advertising revenue) \$ 16,799.70

San Francisco Unified School District (charter  
services) 5,012.86

Pacific Gas & Electric Company (pole rental) 2,859.00

Henry Doelger Builder, Incorporated (subsidy  
for #76 line) 1,200.00

Other 180.01

Total \$ 26,051.57

The balance with Fielder, Sorenson & Davis was confirmed by direct communication with the debtor. The remaining balances with the exception of the "Other" group above were verified by reference to the debtor remittance advices in July and August, 1955. It appears that no losses will be incurred in the collection of any balances outstanding at June 30, 1955.

Materials and Supplies - \$717,846.56

This balance consists of the aggregate book value of the inventories of materials and supplies totaling \$717,845.56, plus metal tokens at the nominal valuation of \$1.00.

The amount of materials and supplies inventories was determined by a tabulation of perpetual inventory records as of May 25, 1955, adjusted for subsequent receipts and issues to June 30, 1955. We were informed that physical counts were made by employees at various times during the year and that the perpetual inventory records were adjusted to such counts. Our review of the perpetual inventory records showed certain evidence to that effect. These inventories were priced at cost, determined by a moving average, or at estimated scrap or useful value if less than cost.

Metal tokens have heretofore been carried in the books at an amount of \$26,034.44 which we understand represented the original cost of certain token purchases. Owing to the fact that metal tokens have not been used in public circulation since April, 1949, and that there are no present plans to return to a fare system involving their use, it appears that the inventory of metal tokens is of little if any value. Accordingly, after discussing the matter with responsible parties of the Railway, the inventory valuation has been written down to the nominal valuation of \$1.00 as of June 30, 1955.

We made tests of the quantities in the inventory by physical counts, and tested the pricing and computations. The factor of inventory obsolescence was discussed with employees responsible for the inventory preparation. Based upon their opinion, the amount of \$7,012.67 has been provided for estimated obsolescence.

Reserve for Accident Claims - \$2,836,802.91

A summary of the changes in this reserve during the year ended June 30, 1955 is as follows:

Balance, July 1, 1954		\$2,910,279.57
Provision for accidents		<u>1,567,375.97</u>
Total		4,477,655.54
Less:		
Claims paid and miscellaneous expenses, net of recoveries from insurance carriers	\$1,161,630.20	
Services of City Attorney's office	115,870.00	
Claims department payroll	162,386.75	
Cost of excess liability insurance coverage	<u>200,965.68</u>	1,640,852.63
Balance June 30, 1955		<u>\$2,836,802.91</u>

Reserve for Employees'  
Compensation Claims - \$163,000.00

The amount of this reserve has been established on the basis of information as to the amount of compensation claims of employees outstanding at June 30, 1955 as furnished by the City and County of San Francisco Employee Retirement System. The above balance represents a reduction of \$7,000.00 from the reserve balance at June 30, 1954.

Deferred credits at June 30, 1955 consist of unamortized bond premium, \$7,665.40, deposits expected to be applied against jobs in process for others, \$3,395.48, and miscellaneous small items totaling \$1,249.22 whose final dispositions are being deferred to subsequent periods.

OPINION

In our opinion the accompanying balance sheet and related statements of income and surplus present fairly the financial position of Municipal Railway of San Francisco at June 30, 1955 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Yours truly,

*Barlow, Davis & Wood*

San Francisco, California

September 26, 1955

MUNICIPAL RAILWAY OF SAN FRANCISCO  
BALANCE SHEET  
AS OF JUNE 30, 1955

## ASSETS

## FIXED CAPITAL:

Read and equipment (Schedule "1")	\$41,564,555.12
Less accumulated depreciation to date (Schedule "2")	24,128,249.12
Read and equipment, net book value	17,436,306.00
Construction work in progress	37,539.98
	<u>17,473,845.98</u>

CASH:	
On deposit with treasurer	\$3,811,156.46
Revolving funds	<u>15,000.00</u>
	3,826,156.46

ACCOUNTS RECEIVABLE	26,051.57
INTERFUND ACCOUNTS RECEIVABLE:	
Due from General City and County	14,124.13
Due from other public service enterprises	<u>12,345.23</u>
	26,469.36

## DEFERRED CHARGES:

Materials and supplies - at average cost, or estimated scrap or useful value	717,846.56
Prepaid insurance premiums and other deferred charges	17,764.58
Uncompleted contracts, purchase orders, and other commitments (see contra)	<u>496,037.26</u>
	1,231,648.40

MUNICIPAL RAILWAY OF SAN FRANCISCO  
BALANCE SHEET - (Continued)  
AS OF JUNE 30, 1955

## LIABILITIES

## BONDED DEBT:

Unmatured bonds (Schedule "3"):	
Maturing within one year	\$ 1,599,000.00
Maturing subsequent to June 30, 1956	12,269,000.00
Total unmatured bonds	13,868,000.00
Matured bonds not presented for payment	200.00
	<u>13,868,200.00</u>

## BOND INTEREST PAYABLE:

Accrued but not due	\$ 94,341.88
Matured coupons not presented for payment	<u>2,090.00</u>
	96,431.88

## ACCOUNTS PAYABLE, COMMITMENTS, ETC.:

Outstanding warrants and payroll deductions	871,609.41
Accrued liabilities	52,024.36
Accrued Federal Insurance Contribution Act Tax	33,400.38
Accrued payrolls	<u>1,802.05</u>
Total accounts payable and accrued liabilities	958,836.20
Uncompleted contracts, purchase orders, and other commitments (see contra)	<u>496,037.26</u>
	1,454,873.46

## INTERFUND ACCOUNTS PAYABLE:

Due to General City and County	279,335.49
Due to other public service enterprises	<u>69,136.56</u>
	348,472.05

## RESERVES:

Accident claims	2,836,802.91
Employees' compensation claims	163,000.00
Outstanding tokens	<u>1,305.34</u>
	3,001,108.25

## DEFERRED CREDITS:

12,310.10

## SURPLUS (Exhibit "C"):

Contributed surplus	11,273,765.21
Less deficit from operations	<u>7,470,989.18</u>
	3,802,776.03

TOTAL \$22,584,171.77

TOTAL \$22,584,171.77

MUNICIPAL RAILWAY OF SAN FRANCISCO  
STATEMENT OF INCOME  
FOR THE YEARS ENDED JUNE 30, 1955 and 1954,  
AND COMPARISON

	<u>Year ended June 30,</u>		<u>Increase</u>
	<u>1955</u>	<u>1954</u>	<u>(Decrease)</u>
OPERATING INCOME:			
Passenger revenue...	\$20,898,346.27	\$21,976,747.72	\$(1,078,401.45)
Advertising revenue.	143,339.88	118,325.04	25,014.84
Rents.....	15,885.34	16,207.54	( 322.20)
Other.....	29,971.80	26,344.87	3,626.93
TOTAL OPERATING INCOME.....	<u>21,087,543.29</u>	<u>22,137,625.17</u>	<u>(1,050,081.88)</u>
OPERATING EXPENSES:			
Maintenance and repairs:			
Ways and structures.....	700,343.64	753,475.61	( 53,131.97)
Equipment.....	2,225,770.40	2,240,383.65	( 14,613.25)
Total maintenance and repairs.....	2,926,114.04	2,993,859.26	( 67,745.22)
Power.....	2,169,958.90	2,308,247.11	( 138,288.21)
Conducting transportation.....	10,993,179.54	11,375,878.55	( 382,699.01)
General and miscellaneous.....	2,422,706.44	2,340,048.27	82,658.17
Payroll taxes.....	206,487.02	201,619.28	4,867.74
Total operating expenses before provision for accidents and depreciation.....	18,718,445.94	19,219,652.47	( 501,206.53)
Provision for accident claims....	1,567,375.97	1,648,262.71	( 80,886.74)
Provision for depreciation (Schedule "2").....	1,732,383.04	1,814,263.97	( 81,880.93)
TOTAL OPERATING EXPENSES.....	<u>22,018,204.95</u>	<u>22,682,179.15</u>	<u>( 663,974.20)</u>
LOSS FROM OPERATIONS			
(Carried forward) \$	930,661.66	\$ 544,553.98	\$ 386,107.68



MUNICIPAL RAILWAY OF SAN FRANCISCO  
STATEMENT OF INCOME - (Continued)  
FOR THE YEARS ENDED JUNE 30, 1955 and 1954,  
AND COMPARISON

	Year ended June 30,		Increase (Decrease)
	<u>1955</u>	<u>1954</u>	
LOSS FROM OPERATIONS			
(Brought forward) \$	<u>930,661.66</u>	<u>\$ 544,553.98</u>	<u>\$ 386,107.68</u>
OTHER EXPENSES - NET:			
Interest on bonded debt.....	249,193.47	271,215.08	( 22,021.61)
Obsolescence of materials and supplies.....	1,055.76	5,957.00	( 4,901.24)
Loss on net book value of fixed assets retired....	<u>28,785.17</u>	<u>85,245.15</u>	<u>( 56,459.98)</u>
	<u>279,034.40</u>	<u>362,417.23</u>	<u>( 83,382.83)</u>
Less other income:			
Interest on bank balances.....	18,417.25	20,977.25	( 2,560.00)
Realized from sales of other fixed capital and salvage less net book value of assets retired, and miscellaneous income.....	<u>38,200.62</u>	<u>3,521.06</u>	<u>34,679.56</u>
	<u>56,617.87</u>	<u>24,498.31</u>	<u>32,119.56</u>
OTHER EXPENSES - NET.....	222,416.53	337,918.92	( 115,502.39)
NET LOSS.....	<u>\$ 1,153,078.19</u>	<u>\$ 882,472.90</u>	<u>\$ 270,605.29</u>

MUNICIPAL RAILWAY OF SAN FRANCISCO  
STATEMENT OF SURPLUS  
FOR THE YEAR ENDED JUNE 30, 1955

CONTRIBUTED SURPLUS

Balance as of June 30, 1954 .....	\$ 8,340,917.62
Add:	
Contributions from General Fund of the City and County of San Francisco:	
From general taxes.....	2,077,027.59
From unappropriated balance for rearrangement of cable car lines.....	855,820.00
Balance as of June 30, 1955.....	<u>\$11,273,765.21</u>

DEFICIT FROM OPERATIONS

Balance as of June 30, 1954.....	\$ 6,300,065.74
Add:	
Loss from operations for the year ended June 30, 1955 (Exhibit "B").....	1,153,078.19
Reduction of metal token inventory to nominal value of \$1.00.....	26,033.44
Retroactive vacation pay for trackmen applicable to year 1950.....	2,653.60
	<u>7,481,830.97</u>
Deduct:	
Controller's adjustment for audit and miscellaneous services rendered for fiscal year ended June 30, 1954.....	\$5,816.63
Reduction of reserve for token liability to estimated amount of future redemptions.....	4,632.33
Adjustments to recording of June 30, 1953 property appraisal.....	<u>392.83</u>
	<u>10,841.79</u>
Balance as of June 30, 1955.....	<u>\$ 7,470,989.18</u>

MUNICIPAL RAILWAY OF SAN FRANCISCO  
SUMMARY OF ROAD AND EQUIPMENT  
FOR THE YEAR ENDED JUNE 30, 1955

	Book Balance June 30, 1954	Appraisal Adjustments	Balance After Adjustments June 30, 1954	Additions	Retirements	Balance June 30, 1955
<b>WAY AND STRUCTURES:</b>						
Right of way.....	\$ 158,942.33		\$ 158,942.33		\$ 1,310.00	\$ 157,632.33
Grading.....	1,162,469.70		1,162,469.70		30,330.94	1,132,138.76
Drainage.....	797,635.53	( 273.30)	797,362.23		73,430.94	724,031.29
Electric.....	397,202.18	( 72.29)	397,129.89	633.19	39,538.47	358,222.61
Ties.....	265,079.39		265,079.39		226,268.45	226,268.45
Rails, rail fastenings, and joints.....	1,405,826.26		1,405,826.26	3,499.15	175,479.06	1,233,846.35
Special track work.....	515,065.95	( 28.71)	515,037.24	80.00	65,810.45	449,306.79
Underground construction.....	2,220,788.86		2,220,788.86		325,691.00	1,895,097.86
Track and roadway labor.....	1,874,869.02	587.07	1,875,456.09	10,991.40	187,688.57	1,698,758.92
Track and roadway material.....	1,536,725.47	( 182.57)	1,536,542.90	2,147.23	229,022.45	1,309,667.68
Paving.....	82,486.21		82,486.21		15,036.67	67,449.54
Roadway machinery and tools.....	14,987.49		14,987.49		14,584.39	4,403.10
Tunnels and subways.....	39,377.26		39,377.26		35,383.00	4,000.00
Bridges, trestles, and culverts.....	21,377.85		21,377.85		7.00	21,370.85
Crossings, fences, and signs.....	20,565.76		20,565.76			20,565.76
Signals and interlocking apparatus.....	54,042.27		54,042.27			54,042.27
Communication systems.....	1,559,101.30		1,559,101.30	9,201.48	12,511.11	1,555,791.67
Poles and fixtures.....	477,626.56	(55,734.00)	421,892.56			421,892.56
Underground conduits.....	3,766,783.30	( 30.20)	3,766,753.10	24,406.24	52,768.60	3,738,390.74
Distribution system.....	21,080.00		21,080.00			21,080.00
General office buildings, cable cars.....	5,148,467.17		5,148,467.17	165,605.30		5,314,072.47
Shops, carhouses, and garages.....	182,533.53		182,533.53	884.80	16,091.80	167,306.53
Stations, miscellaneous buildings, and structures.....	21,751,373.42	(55,734.00)	21,695,639.42	218,156.32	1,299,069.40	20,614,786.34
<b>TOTAL WAY AND STRUCTURES.....</b>						
				16,944.70		2,156,366.66
<b>EQUIPMENT:</b>						
Electric street cars.....	2,139,421.96		2,139,421.96			2,139,421.96
Cable cars.....	615,544.83		615,544.83			615,544.83
Motor cars.....	6,856,035.23		6,856,035.23			6,856,035.23
Trolley coaches.....	7,561,695.92		7,561,695.92			7,561,695.92
Fare boxes.....	155,984.00		155,984.00			155,984.00
Service equipment, electric.....	119,940.04		119,940.04			119,940.04
Electric equipment of street cars and trolley coaches.....	1,102,194.51		1,102,194.51			1,102,194.51
Shop equipment.....	856,432.80		856,432.80			856,432.80
Furniture and office equipment.....	234,892.24		234,892.24	1,464.59		236,356.83
Automotive and miscellaneous service equipment.....	241,978.61		241,978.61			241,978.61
<b>TOTAL EQUIPMENT.....</b>						
				18,409.29	1,031.00	19,492,364.49
<b>POWER:</b>						
Substation buildings.....	367,222.17		367,222.17			367,222.17
Power plant equipment, cable cars.....	361,962.00		361,962.00			361,962.00
Substation equipment.....	720,901.36		720,901.36			720,901.36
Transmission system.....	7,088.76		7,088.76			7,088.76
<b>TOTAL POWER.....</b>						
<b>TOTALS.....</b>						
				\$236,565.61	\$1,728,944.34	\$41,564,555.12

See Notes to Schedules "1" and "2".

MUNICIPAL RAILWAY OF SAN FRANCISCO  
SUMMARY OF ROAD AND EQUIPMENT DEPRECIATION  
FOR THE YEAR ENDED JUNE 30, 1955

	Book Balance June 30, 1954	Appraisal Adjustments	Balance After Adjustments June 30, 1954	Provision for Year Ended June 30, 1955	Retirements	Balance June 30, 1955
<b>WAY AND STRUCTURES:</b>						
Grading.....	\$ 347,165.57	\$	\$ 347,165.57	\$ 30,621.85	\$ 73,330.94	\$ 304,456.48
Ballast.....	283,834.04		283,834.04	7,047.70	39,240.28	251,641.46
Ties.....	874,090.04		874,090.04	18,499.54	39,538.57	845,551.93
Track.....	184,999.54		184,999.54	23,749.39	139,538.57	44,500.56
Special track work.....	364,749.80	( 33.65)	364,716.15	8,225.04	64,717.21	308,223.98
Underground construction.....	2,190,022.93		2,190,022.93	1,101.90	324,062.52	1,867,062.28
Track and roadway labor.....	973,229.87	525.23	973,755.20	56,361.20	187,688.57	842,427.83
Paving.....	1,103,196.82		1,103,249.69	27,341.08	229,022.45	901,568.32
Roadway machinery and tools.....	69,226.39		69,226.39	769.52	16,131.56	53,864.35
Tunnels and subways.....	34,327.73		34,327.73	1,357.10	1,357.10	33,514.10
Crossings, fences, and culverts.....	47,529.85		47,529.85	108.37	35,383.00	12,944.10
Signals and interlocking apparatus.....	11,388.31	( 905.15)	10,483.16	261.01	7.00	46,878.71
Communication systems.....	27,646.90		27,646.90	928.57	12,316.88	32,119.02
Poles and fixtures.....	827,181.94		827,181.94	4,472.12	11,885.55	839,340.48
Underground conduit.....	1,356,002.77	(65,734.00)	1,290,268.77	24,044.09	1,290,268.77	1,356,002.77
General office buildings, cable cars.....	1,19,510.28		1,19,510.28	88,400.52	43,019.85	1,287,163.20
Shops, carhouses, and garages.....	2,119,309.49		2,119,309.49	105,369.70	19,958.79	2,224,679.19
Stations, miscellaneous buildings, and structures.....	81,650.03	( 32.13)	81,617.90	5,570.96	16,091.80	71,097.06
<b>TOTAL WAY AND STRUCTURES.....</b>	<b>11,345,935.92</b>	<b>(66,126.83)</b>	<b>11,289,809.09</b>	<b>396,364.36</b>	<b>1,245,646.48</b>	<b>10,438,125.57</b>
<b>EQUIPMENT:</b>						
Electric street cars.....	1,270,780.61		1,270,780.61	56,996.97		1,327,777.58
Cable cars.....	607,908.83		607,908.83		154,969.50	1,452,639.33
Motor coaches.....	5,759,550.67	48.05	5,759,598.72	675,737.10	6,194,053.88	6,194,053.88
Trolley coaches.....	2,293,074.31	97.31	2,293,171.62	495,645.27	2,788,816.89	2,788,816.89
Fare boxes.....	52,420.83	( 145.36)	52,275.47	9,650.89	61,926.36	61,926.36
Service equipment, electric.....	115,251.60		115,251.60	1,538.24	116,829.84	116,829.84
Service equipment, trolley cars and trolley coaches.....	755,063.94		755,063.94	20,351.93		775,415.87
Shop equipment.....	552,917.87		552,917.87	30,183.13	28,627.79	554,473.21
Furniture and office equipment.....	177,216.40		177,216.40	9,027.03	186,243.43	186,243.43
Automotive and miscellaneous service equipment.....	139,807.85		139,807.85	22,426.03	980.00	161,253.88
<b>TOTAL EQUIPMENT.....</b>	<b>11,724,032.91</b>	<b>-0-</b>	<b>11,724,032.91</b>	<b>1,321,556.59</b>	<b>425,559.13</b>	<b>12,619,730.37</b>
<b>POWER:</b>						
Substation buildings.....	257,219.74		257,219.74	6,178.96		263,398.70
Power plant equipment, cable cars.....	348,565.50		348,565.50	618.60		349,184.10
Substation equipment.....	444,012.43		444,012.43	7,069.93		451,076.36
Transmission system.....	6,734.02		6,734.02			6,734.02
<b>TOTAL POWER.....</b>	<b>1,056,531.69</b>		<b>1,056,531.69</b>	<b>7,367.49</b>		<b>1,070,393.18</b>
<b>TOTALS.....</b>	<b>\$24,126,500.52</b>	<b>(\$6,126.83)</b>	<b>\$24,070,373.69</b>	<b>\$1,732,361.43</b>	<b>\$1,674,507.61</b>	<b>\$24,128,249.12</b>

See Notes to Schedules "1" and "2".

MUNICIPAL RAILWAY OF SAN FRANCISCO  
NOTES TO SCHEDULES "1" and "2"  
JUNE 30, 1955

1. Fixed capital assets are stated at appraisal valuations at June 30, 1953, with subsequent additions at cost. Accumulated depreciation is stated at amounts determined by the appraisal of June 30, 1953, with subsequent additions based upon remaining useful lives determined by the appraisal or assigned to newly acquired assets.
2. Included in Way and Structures at June 30, 1955 are nonoperated track, roadway and underground conduit totaling \$747,499.58. These assets are fully depreciated. The amount of nonoperated assets carried in other classifications has not been determined.
3. Appraisal adjustments reflected by Schedules "1" and "2" represent further adjustments of the accounts to result in conformance with the appraisal of June 30, 1953.

MUNICIPAL RAILWAY OF SAN FRANCISCO  
UNMATURED BONDED DEBT  
AS OF JUNE 30, 1955

## REHABILITATION ISSUE OF 1947:

	Interest Rate	Principal Amount per Annum	Dates	Principal Amount Outstanding June 30, 1955
Series A (dated February 1, 1948).....	2%	\$433,000	February 1, 1956-58	\$1,299,000
	2-1/2%	433,000	February 1, 1959-63	<u>2,165,000</u>
				\$ 3,464,000
Series B (dated August 1, 1948).....	1-1/4%	123,000	August 1, 1955	123,000
	1-3/4%	123,000	August 1, 1956	123,000
	2-3/4%	559,000	August 1, 1957-58	1,118,000
	2%	559,000	August 1, 1959-60	1,118,000
	2%	560,000	August 1, 1961-63	<u>1,680,000</u>
				4,162,000
Series C (dated March 1, 1949).....	1-1/2%	90,000	March 1, 1956-57	180,000
	1-1/2%	380,000	March 1, 1958	380,000
	1-1/2%	400,000	March 1, 1959-64	<u>2,400,000</u>
				2,960,000
Series D (dated August 1, 1949).....	1%	105,000	August 1, 1955	105,000
	1-1/4%	104,000	August 1, 1956	104,000
	1-1/4%	104,000	August 1, 1957-60	416,000
	1-1/2%	104,000	August 1, 1961-64	<u>416,000</u>
				1,042,000
Series E (dated November 1, 1949).....	1%	38,000	November 1, 1955-56	76,000
	1-1/4%	38,000	November 1, 1957-61	190,000
	1-1/2%	38,000	November 1, 1962-64	<u>114,000</u>
				380,000
Series F (dated September 1, 1950).....	1%	690,000	September 1, 1955-56	1,380,000
Series G (dated March 1, 1952).....	1-1/4%	120,000	March 1, 1956-59	<u>480,000</u>
TOTAL UNMATURED BONDED DEBT.....				<u>\$13,868,000</u>

**San Francisco School Department**  
(A Unified School District)



**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 1955**

**BENSON & NEFF**

CERTIFIED PUBLIC ACCOUNTANTS

CROCKER BUILDING  
SAN FRANCISCO 4

October 7, 1955

Honorable Harry D. Ross,  
Controller, City and County of San Francisco,  
San Francisco, California.

Dear Sir:

We have examined the balance sheets of San Francisco Unified School District as of June 30, 1955 and the related statements of surplus and revenues and expenditures for the year then ended. These financial statements, attached hereto, are as follows:

EXHIBIT

Proprietary Balance Sheet, June 30, 1955	A
Statement of Surplus - Current Fund for the Year Ended June 30, 1955	B
Statement of Surplus - Capital Funds for the Year Ended June 30, 1955	C
Notes to Financial Statements	D
Statement of Revenue and Expenditures of the Current Fund for the Years Ended June 30, 1955 and 1954, and Comparison	E
Revenue for the Years Ended June 30, 1955 and 1954, and Comparison - Schedule 1	
Expenditures for the Years Ended June 30, 1955 and 1954, and Comparison - Schedule 2	
Funds Balance Sheet, June 30, 1955	F
Reconciliation of Proprietary Balance Sheet with Funds Balance Sheet, June 30, 1955	G

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.



In our opinion the accompanying balance sheets and related statements of surplus and revenue and expenditures present fairly the financial position of the San Francisco Unified School District as of June 30, 1955 and the results of its operations for the year then ended, in conformity with generally accepted governmental accounting principles applied on a basis consistent with that of the preceding year.

Our report, program, and working papers relating to this examination have been made available to Mr. David R. Supple, consultant and statistician for the Grand Jury.

We submit our comments on the following pages preceding the financial statements.

Yours truly,

*Bannon & N. eff*

The following comments are submitted for the purpose of further amplification and explanation of the financial statements and to set forth the apparent causes of certain operating results.

### REVENUES AND EXPENDITURES

#### CURRENT FUND

A condensed comparative summary of revenue and expenditures of the Current Fund for the years ended June 30, 1955 and 1954 is presented below (figures rounded off to nearest thousand dollars):

	YEAR ENDED JUNE 30,		INCREASE (DECREASE)
	1955	1954	
Revenue:			
Property taxes and penalties.....	\$19,978,000	\$20,637,000	\$ (659,000)
State of California:			
School funds apportionment.....	11,220,000	10,771,000	449,000
Retirement subventions.....	922,000	803,000	119,000
Other revenue.....	1,773,000	2,067,000	(294,000)
Auxiliary (indirect) revenue.....	463,000	456,000	7,000
Total revenue.....	<u>\$34,356,000</u>	<u>\$34,734,000</u>	<u>\$ (378,000)</u>
Expenditures:			
Operating expenses.....	\$33,781,000	\$33,076,000	\$ 705,000
Net capital outlay from			
Current Fund.....	501,000	295,000	206,000
Total expenditures.....	<u>\$34,282,000</u>	<u>\$33,371,000</u>	<u>\$ 911,000</u>
Excess of revenue over expenditures	<u>\$ 74,000</u>	<u>\$ 1,363,000</u>	<u>\$(1,289,000)</u>

The lower revenue from property taxes in the current year as compared to the previous year reflects principally the reduced school district tax rate, from approximately \$1.68 in 1954 to \$1.57 in 1955.

Revenues from the State School Fund consist of the share of state funds apportioned to the School District on the basis of average daily attendance, for certain excess expenses of educating handicapped children, and for automobile driver training. These revenues for the year ended June 30, 1955 are as follows:

	TOTAL	ELEMENTARY SCHOOLS	HIGH SCHOOLS	CITY COLLEGE
total average daily attendance (see Note 2).....	84,716	55,379	24,700	4,637
\$120 per pupil.....	\$10,165,920	\$6,645,480	\$2,964,000	\$556,440
Apportionment based on increase in attendance over that of the prior year (see Note 3).....	\$ 322,419	\$ 210,978	\$ 30,975	\$ 80,466
Apportionment for excess expenses of educating handicapped children:				
Physically handicapped:				
Average daily attendance	937	818	119	
Extra expenses to school district (not over \$400 per pupil).....	\$ 374,800	\$ 327,200	\$ 47,600	
Mentally retarded:				
Average daily attendance	1,306	788	518	
Extra expenses (not over \$150 per pupil).....	195,900	118,200	77,700	
Severely mentally retarded:				
Average daily attendance	123	123		
Extra expenses (not over \$300 per pupil).....	36,900	36,900		
Transportation expense of certain handicapped children:				
Average daily attendance	351	351		
Expense to district (not over \$350 per pupil)..	101,209	101,209		
Total - handicapped children.....	\$ 708,809	\$ 583,509	\$ 125,300	
Automobile driver training:				
Number of pupils trained..	769		769	
Apportionment (see Note 4)	\$ 23,070		\$ 23,070	
Total.....	\$11,220,218	\$7,439,967	\$3,143,345	\$636,906
Less adjustment to prior year apportionment.....	341	341		
Remainder.....	\$11,219,877	\$7,439,626	\$3,143,345	\$636,906

NOTES:

- (1) Attendance and apportionment figures applicable to evening schools and the continuation school are included in the column for high schools above.
- (2) Average daily attendance of the previous year serves as the primary basis for apportionment in the current year. The average daily attendance listed in the above schedule is that of the year ended June 30, 1954.
- (3) The increase in average daily attendance is based on attendance reports for periods ended in December and April of the current school year. After the end of the current year it was discovered that a clerical error had been made in preparing the first period report of attendance for the junior college and that this error had resulted in an understatement of average attendance for the period. An amended report has been submitted and, if accepted, it should result in an increased apportionment of \$2,154 in the next fiscal year.
- (4) The apportionment for automobile driver training is the lower of:
  - (a) 75% of the actual cost, or
  - (b) \$30 times the number of pupils trained, or
  - (c) \$30 times the enrollment at October 31 or March 31 in grade 10, 11, or 12, whichever is greater.

The following schedule shows a comparison of average daily attendance during the current year and the two preceding years:

	<u>1954-55</u>	<u>1953-54</u>	<u>1952-53</u>
Elementary schools.....	56,920	55,379	53,111
High schools.....	24,919	24,700	23,310
Junior college.....	<u>5,395</u>	<u>4,637</u>	<u>4,461</u>
Total.....	<u>87,234</u>	<u>84,716</u>	<u>80,882</u>

BASIC DATA FOR STATE APPORTIONMENT  
FOR FISCAL YEAR 1955-56

The following is a summary of average daily attendance during the year ended June 30, 1955, which will serve as the basis for apportionment in the fiscal year 1955-56:

	<u>TOTAL</u>	<u>ELEMENTARY SCHOOLS</u>	<u>HIGH SCHOOLS</u>	<u>JUNIOR COLLEGE</u>
Total average daily attendance.....	87,234	56,920	24,919	5,395
Increase in attendance.....	--to be determined during the year--			
Handicapped children:				
Physically handicapped.....	935	794	141	
Mentally retarded.....	1,285	766	519	
Severely mentally retarded.....	130	130		
Requiring special transportation.	363	363		
Automobile driver training -				
number of pupils trained.....	880		880	

With the exception of expenditures for administration, fixed charges, and transportation of pupils, all major classifications of expenditures were higher in the current year. The substantial reduction of \$110,500 or approximately 31%, in the cost of transporting pupils, from the previous year results principally from the opening of a new elementary and a new junior high school which has eliminated the need for pupils in those new areas to be transported to other schools.

#### CHILD CARE CENTERS

25 Child Care Centers, with total enrollment of 1,242 children were in operation at June 30, 1955. The average daily number of children in attendance during the year was 1,203. The total hours of child attendance for the years ended June 30, 1955 and 1954, and comparison, are as follows:

	YEAR ENDED JUNE 30,		INCREASE (DECREASE)
	1955	1954	
Hours of attendance:			
Nursery (under 5 years, 9 months of age)	1,458,539	1,377,748	80,791
School age (5 years, 9 months of age and over).....	521,909	455,478	66,431
Total hours of attendance.....	<u>1,980,448</u>	<u>1,833,226</u>	<u>147,222</u>

The statement of revenue and expenditures of the Child Care Centers for the years ended June 30, 1955 and 1954, and comparison, is summarized as follows:

	YEAR ENDED JUNE 30,		INCREASE (DECREASE)
	1955	1954	
Revenue:			
State apportionment.....	\$442,851	\$417,449	\$ 25,402
Fees from parents.....	335,646	289,444	46,202
District taxes.....	126,685	193,058	(66,373)
Miscellaneous.....	<u>1,353</u>	<u>1,184</u>	<u>169</u>
Total revenue.....	<u>\$906,535</u>	<u>\$901,135</u>	<u>\$ 5,400</u>
Expenditures:			
Administration.....	\$ 58,204	\$ 60,018	\$ (1,814)
Instruction.....	509,699	526,936	(17,237)
Auxiliary services.....	14,209	13,555	654
Operation.....	122,225	122,537	(312)
Maintenance.....	14,238	24,115	(9,877)
Fixed charges.....	6,174	5,199	975
Food.....	166,744	154,129	12,615
Capital outlay.....	<u>8,369</u>	<u>6,102</u>	<u>2,267</u>
Total expenditures.....	<u>\$899,862</u>	<u>\$912,591</u>	<u>\$(12,729)</u>
Excess (deficiency) of revenue over expenditures.....	<u>\$ 6,673</u>	<u>\$(11,456)</u>	<u>\$ 18,129</u>

#### COUNTY SCHOOL SERVICE FUND

The revenue and expenditures of the County School Service Fund were as follows:

Revenue from State apportionment.....		\$38,903
Expenditures:		
Administration:		
Office of county superintendent of schools	\$2,400	
Bureau of research.....	<u>7,500</u>	\$ 9,900
Instruction:		
Curriculum services.....	\$16,503	
Visual education.....	<u>12,500</u>	<u>29,003</u>

## CAFETERIAS

Fifty six cafeterias were operated by the School District during the year ended June 30, 1955. The statement of income and expenses for the years ended June 30, 1955 and 1954, and comparison, is as follows:

	YEAR ENDED JUNE 30,		INCREASE (DECREASE)
	1955	1954	
Revenue:			
Sales - cafeterias.....	\$1,042,022	\$ 981,408	\$ 60,614
Sales - mid-morning lunches.....	188,955	187,097	1,858
Contribution from the Department of Public Health of the City and County of San Francisco for mid-morning milk.....	6,000		6,000
Federal grants:			
Current year.....	114,815	84,128	30,687
Additional amounts applicable to prior years.....	1,906	4,196	(2,290)
Other adjustments to recorded income of prior years - net.....	592	(360)	952
Total revenue.....	<u>\$1,354,290</u>	<u>\$1,256,469</u>	<u>\$ 97,821</u>
Expenses:			
Cost of food.....	\$ 816,370	\$ 770,333	\$ 46,037
Salaries.....	442,559	397,704	44,855
Student help meals.....	32,763	31,170	1,593
Supplies and expense.....	48,986	46,166	2,820
Central office expense.....	796	726	70
Repairs and replacements.....		88	(88)
Provision for sick leave and vacations.....	35,934	32,119	3,815
Total expenses.....	<u>\$1,377,408</u>	<u>\$1,278,306</u>	<u>\$ 99,102</u>
Net loss.....	<u>\$ 23,118</u>	<u>\$ 21,837</u>	<u>\$ 1,281</u>

Net income of the cafeterias, when the operations result in net income, is held in trust for cafeteria operations only and is not available for other activities.



## STUDENT BODY FUNDS

The student body funds and all accounting records in support thereof are maintained at the schools and are subject to internal audit at regular intervals. We reviewed the audit procedures and working papers of audits made by the administrative office during the year and believe them to be adequate.

### FUND FOR THE ADVANCEMENT OF EDUCATION

This Fund was created when the School District received a grant in the amount of \$350,000 from The Fund for the Advancement of Education, a private foundation, to be used solely for the recruitment and training of teachers.

The trust agreement, under the terms of which this grant was accepted, provides that on July 1, 1959 or upon any earlier termination of the agreement or termination of the project for recruitment and training of teachers, any portion of the grant not expended or committed for the specific purposes for which the grant was made shall be returned to the grantor.

Transactions of this Fund during the year ended June 30, 1955 are summarized as follows:

Cash on deposit with Treasurer, July 1, 1954.....	\$350,000		
Expenditures:			
Fellowship payments (sustenance allowances).....	\$13,669		
Consultants' fees.....	712		
San Francisco State College:			
Student fees.....	\$ 795		
Supervisor's salary and expenses.....	4,340	5,135	19,516
Cash on deposit with Treasurer, June 30, 1955.....			<u>\$330,484</u>



PROPRIETARY BALANCE SHEET

CASH - \$17,107,853

Cash in the various funds of the District at June 30, 1955 was as follows:

School District current fund.....		\$ 6,952,619
Capital funds:		
1948 school bonds.....	\$8,628,695	
Real property.....	<u>83,424</u>	8,712,119
Special and trust funds:		
Child Care Centers.....	\$ 179,650	
Cafeteria.....	295,137	
Withholding tax.....	254,631	
Teachers' sabbatical leave.....	3,350	
Teachers' permanent retirement.....	19,611	
Teachers' annuity.....	12,139	
Veterans' education.....	140	
Will C. Steinbrunn bequest.....	10,175	
Anna Steinberg trust.....	1,000	
Fund for the Advancement of Education.....	<u>334,073</u>	<u>1,109,906</u>
Total cash deposited with Treasurer.....		\$16,774,644
Cash transfers outstanding.....	\$ 309,749	
Revolving funds:		
School district.....	\$3,000	
Cafeteria.....	<u>1,550</u>	4,550
Hume Foundation Trust Fund (deposited with American Trust Company).....		<u>161</u> <u>314,460</u>
Total cash - School District.....		\$17,089,104
Cash of the bond interest and redemption funds of the City and County of San Francisco (included in the proprietary balance sheet as an offset to bonds and interest payable):		
Bonds matured, unpaid.....	\$ 4,000	
Bond interest matured, unpaid.....	<u>14,749</u>	<u>18,749</u>
Total cash.....		<u>\$17,107,853</u>

# ACCOUNTS RECEIVABLE - \$1,689,321

A summary of the accounts receivable of the various funds of the District at June 30, 1955 is presented as follows:

## Delinquent taxes and penalties:

Secured.....	\$ 197,768	
Unsecured.....	<u>426,674</u>	

Total taxes and penalties.....	\$ 624,442	
Less reserve for unsecured taxes.....	<u>426,674</u>	\$ 197,768

## Other accounts receivable:

### Current Fund:

Federal grant for school construction....	\$1,125,478	
Tuition due from other counties and districts.....	237,900	
Federal subvention for aid to local education.....	53,924	
Federal subventions for vocational training of veterans.....	14,182	
Student teacher training program.....	7,731	
Salary overpayments.....	6,030	
Miscellaneous.....	<u>11,985</u>	1,457,230

### Cafeterias:

Federal grants.....	\$ 25,263	
Undeposited sales receipts.....	<u>4,164</u>	29,427
Child Care Centers - fees from parents.....		<u>4,896</u>

Total accounts receivable.....		<u>\$1,689,321</u>
--------------------------------	--	--------------------

The total amount of secured taxes and penalties receivable has been credited to income. All other receivables are covered by deferred credits and will be taken into income in the year of collection.

The account receivable, Federal grant for school construction, represents the remainder of a grant in the amount of \$1,250,531 for the construction of Silver and Thomas Avenues Elementary School. 10% of this grant, \$125,053, was received during the year ended June 30, 1955; the remainder will be received in future periods as the construction is completed.

Tuition due from other counties and districts consists of the following items:

Tuition for non-resident students at City

College for the fiscal year 1954-55:

Amount due but not billed as of June 30, 1955..	\$157,176	
Amount billed June 30, 1955.....	<u>79,911</u>	\$237,087
Other current items.....		331
Tuition for prior years not collected.....		<u>482</u>
Total.....		<u>\$237,900</u>

INVENTORIES

Stores - at cost.....	\$700,436
Shop inventory - at cost.....	32,071

Stores inventory consists of unissued supplies and furniture and fixtures stored at various warehouse locations. Portions of the inventory were counted and reconciled with the general ledger at February 28, March 31, and at June 30, 1955. The general ledger accounts were adjusted to agree with the physical inventories as of the dates of inventory counts; the total of the necessary adjustments resulted in an increase to the inventory accounts in the total amount of \$1,027.

Shop inventory consists of the following items:

Refinished furniture not reissued.....	\$ 7,548
Shop orders in process.....	677
Materials and supplies.....	<u>23,846</u>
Total.....	<u>\$32,071</u>

FIXED CAPITAL PROPERTIES - \$100,815,027

Net additions to fixed capital properties during the year ended June 30, 1955 are summarized as follows:

	BUILDINGS AND			
	TOTAL	LAND	IMPROVEMENTS	EQUIPMENT
Additions per School				
District records:				
1948 school bond fund.	\$6,928,754	\$ 43,644	\$6,527,524	\$357,586
School current fund...	841,943	37,289	318,034	486,620
Child Care Centers....	8,369			8,369
Special accumulative				
building fund.....	5,750	5,750		
Real property fund....	51,210	51,210		
Total.....	<u>\$7,836,026</u>	<u>\$ 137,893</u>	<u>\$6,845,558</u>	<u>\$852,575</u>
Less:				
Net reduction due to				
properties sold, ex-				
changed or otherwise				
disposed of.....	\$ 293,269	\$ 292,119	\$ 1,150	(see Note)
Other reconciling				
items.....	<u>13,008</u>	<u>7,219</u>	<u>(2,595)</u>	<u>\$ 8,384</u>
Total reconciling				
items.....	<u>\$ 306,277</u>	<u>\$ 299,338</u>	<u>\$ (1,445)</u>	<u>\$ 8,384</u>
Net additions (reduction)				
per Controller's				
records 1954-1955.....	<u>\$7,529,749</u>	<u>\$(161,445)</u>	<u>\$6,847,003</u>	<u>\$844,191</u>

NOTE: The reduction for equipment sold, exchanged, or otherwise disposed of, in the amount of \$57,682, during the year ended June 30, 1955 will be recorded by the Controller in the succeeding fiscal year.

We did not test additions acquired through the 1948 School Bond Fund inasmuch as this fund was subject to examination by other independent accountants engaged to examine the Controller's records.

BONDED DEBT - \$46,086,000  
BOND INTEREST PAYABLE AND ACCRUED - \$275,979

A summary of the changes in bonded debt during the year ended June 30, 1955 as shown by the records of the Controller follows:

DATE OF ISSUE	INTEREST RATE	BALANCE JULY 1, 1954	TRANSACTIONS DURING FISCAL YEAR		BALANCE JUNE 30, 1955
			SOLD	REDEEMED	
March 1, 1923	5%	\$ 3,910,000		\$ 300,000	\$ 3,610,000*
March 1, 1949	1-1/4	2,400,000		500,000	1,900,000
March 1, 1949	1-1/2	3,000,000		240,000	2,760,000
April 1, 1951	1-1/4	769,000		769,000	
April 1, 1951	1-3/4	8,466,000			8,466,000
March 1, 1952	1-1/2	8,320,000			8,320,000
December 1, 1952	1-3/4	9,750,000			9,750,000
August 1, 1953	4	960,000		320,000	640,000
August 1, 1953	2-1/2	3,840,000			3,840,000
March 1, 1954	5-3/4	400,000		200,000	200,000
March 1, 1954	1	400,000			400,000
March 1, 1954	1-1/4	1,000,000			1,000,000
March 1, 1954	1-1/2	800,000			800,000
March 1, 1954	1-3/4	400,000			400,000
April 1, 1955	6		\$ 300,000		300,000
April 1, 1955	1-3/4		3,700,000		3,700,000
Total.....		<u>\$44,415,000</u>	<u>\$4,000,000</u>	<u>\$2,329,000</u>	<u>\$46,086,000</u>

\*Includes \$4,000 matured but unpaid.

Of the \$48,900,000 school bond issue approved by public vote in November 1948, \$990,000 remained unsold at June 30, 1955.

Bond interest payable and accrued at June 30, 1955 is summarized as follows:

Coupons matured - not presented for payment...	\$ 14,749
Interest accrued - not due.....	<u>261,230</u>
Total.....	<u>\$275,979</u>

The bonded debt and interest thereon are not reflected on the books of the School District as they are general obligations of the City and County of San Francisco, and are shown in the accompanying balance sheet only as a matter of record. In accordance with past practice, the interest between the last coupon dates and the end of the fiscal year (\$261,230) has been treated as a deferred charge.

INSURANCE COVERAGE AND LIABILITY  
FOR DAMAGE AND WORKMEN'S COMPENSATION CLAIMS

The following is a summary of the insurance in force at  
June 30, 1955:

Fire and extended coverage - School District property  
including contents:

Total coverage during the year ended June 30, 1955..... \$72,500,000  
Total coverage to be in effect during the  
year beginning July 1, 1955..... \$78,486,000

Rental income - Lincoln Building:

Fire and extended coverage.... Actual rental, not to exceed \$348,000

Loss of specific property (camera and borrowed property)..... \$2,513

Automobiles (includes driver training program cars):

Bodily injury (including non-ownership coverage).. \$200,000/\$500,000  
Property damage..... \$100,000  
Fire and theft..... Cash value  
Collision (driver training only)..... \$50 deductible

Child Care Centers:

Bodily injury..... \$100,000/\$1,000,000  
Property damage..... \$1,000/\$10,000

Boller:

City College..... \$500,000  
High schools, each..... \$250,000  
All other schools, each..... \$100,000

Valuable records:

Other than money and securities..... \$ 50,000

Blanket fidelity bond - each loss..... \$ 25,000

Additional fidelity bond coverage:

Superintendent of Schools..... \$ 25,000  
Chief of the Budget Division..... \$ 15,000  
Chief of the Division of Accounts..... \$ 6,000  
Board of Education members (each)..... \$ 2,500

Workmen's Compensation - Child Care Centers..... Statutory

General liability:

Sub-leased portion of Union Furniture

Company warehouse..... \$100,000/\$200,000

The fire and extended coverage in effect is intended to be 90% of insurable value. An insurance survey as of May 1, 1955 shows total value of buildings and contents to be \$87,207,504. 90% thereof is \$78,486,750.

The School District does not carry general public liability insurance, nor does it carry workmen's compensation insurance covering employees other than those of the Child Care Centers. The Retirement Board of the City and County of San Francisco has advised us that the liability for unsettled workmen's compensation claims at June 30, 1955 is estimated to be approximately \$85,000. The legal adviser of the School District advised us that the contingent liability under other unsettled claims is estimated to be \$100,000.



SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
PROPRIETARY BALANCE SHEET, JUNE 30, 1955

EXHIBIT A

ASSETS

	TOTAL	CURRENT FUND	CAPITAL FUNDS	SPECIAL AND TRUST FUNDS
CASH:				
On deposit with Treasurer.....	\$ 16,774,644	\$ 6,952,619	\$ 8,712,119	\$ 1,109,906
Cash transfers outstanding.....	309,749	(49,309)	(3,280)	362,338
Revolving funds.....	4,550	3,000		1,550
Advance to 1948 School Bond fund.....		4,257	(4,257)	
Bond interest and redemption funds....	18,749	18,749		
Other - Hume Foundation.....	161			161
Total cash.....	<u>\$ 17,107,853</u>	<u>\$ 6,929,316</u>	<u>\$ 8,704,582</u>	<u>\$ 1,473,955</u>
ACCOUNTS RECEIVABLE:				
Delinquent taxes and penalties.....	\$ 624,442	\$ 622,268		\$ 2,174
Less reserve for unsecured property taxes.....	426,674	425,499		1,175
Secured taxes and penalties.....	\$ 197,768	\$ 196,769		\$ 999
Other accounts, subventions, etc. (contra).....	1,491,553	1,457,230		34,323
Total accounts receivable.....	<u>\$ 1,689,321</u>	<u>\$ 1,653,999</u>		<u>\$ 35,322</u>
INTER-FUND ACCOUNTS.....	<u>\$ 10,377</u>	<u>\$ 2,728</u>	<u>\$ 7,649</u>	
INVENTORIES AND DEFERRED CHARGES:				
Stores - at cost.....	\$ 700,436	\$ 700,436		
Shop inventory - at cost.....	32,071	32,071		
Unexpired insurance.....	10,373	10,373		
Other supplies and expense.....	6,535	6,535		
Bond interest accrued.....	261,230	261,230		
Uncompleted contracts and purchase orders (contra).....	6,038,161	1,308,869	\$ 4,715,518	\$ 13,774
Work in progress.....	145,849		145,849	
Total inventories and deferred charges.....	<u>\$ 7,194,655</u>	<u>\$ 2,319,514</u>	<u>\$ 4,861,367</u>	<u>\$ 13,774</u>
FIXED CAPITAL PROPERTIES (see Note 1):				
Land.....	\$ 14,052,517		\$ 14,052,517	
Buildings and improvements.....	77,711,009		77,711,009	
Equipment.....	9,051,501		9,051,501	
Total fixed capital properties..	<u>\$100,815,027</u>		<u>\$100,815,027</u>	
TOTAL.....	<u>\$126,817,233</u>	<u>\$10,905,557</u>	<u>\$114,388,625</u>	<u>\$1,523,051</u>

(Continued)



SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT A

PROPRIETARY BALANCE SHEET, JUNE 30, 1955

LIABILITIES AND SURPLUS

	TOTAL	CURRENT FUND	CAPITAL FUNDS	SPECIAL AND TRUST FUNDS
BOND INTEREST PAYABLE AND ACCRUED (see Note 1).....	\$ 275,979	\$ 275,979		
ACCOUNTS PAYABLE AND COMMITMENTS:				
Warrants and payroll deductions outstanding.....	\$ 2,456,158	\$ 2,159,959	\$ 146,835	\$ 149,364
Accounts payable - materials and service.....	280,037	259,610		20,427
Uncompleted contracts and purchase orders (contra).....	6,038,161	1,308,869	4,715,518	13,774
Balance of withholding tax, and teachers' sabbatical leave, permanent, and annuity funds.....	652,119			652,119
Total accounts payable and commitments.....	\$ 9,426,475	\$ 3,728,438	\$ 4,862,353	\$ 835,684
INTER-FUND ACCOUNTS:				
Department of Public Works.....	\$ 247,484	\$ 243,675		\$ 3,809
Employees' Retirement System.....	306,555	306,555		
Other funds and city departments.....	22,758	19,976		2,782
Total inter-fund accounts.....	\$ 576,797	\$ 570,206		\$ 6,591
DEFERRED CREDITS (see Note 5):				
Accounts receivable (contra).....	\$ 1,491,553	\$ 1,457,230		\$ 34,323
Other.....	110	97		13
Total deferred credits.....	\$ 1,491,663	\$ 1,457,327		\$ 34,336
BONDED DEBT (see Note 1).....	\$ 46,086,000	\$ 4,000	\$ 46,082,000	
SURPLUS (Exhibits B and C and Notes 2 and 3).....	\$ 68,960,319	\$ 4,869,607	\$ 63,444,272	\$ 646,440
TOTAL.....	\$126,817,233	\$10,905,557	\$114,388,625	\$1,523,051

The notes are on Exhibit D.

(Concluded)

SAN FRANCISCO UNIFIED SCHOOL DISTRICTSTATEMENT OF SURPLUS - CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 1955

EXHIBIT B

Balance, July 1, 1954.....	\$4,770,507
Excess of revenue over expenditures for the year ended June 30, 1955 - Exhibit E.....	74,100
Return to surplus of deferred credit for Department of Public Works Revolving Fund.....	<u>25,000</u>
Balance, June 30, 1955 (see Notes 2 and 3).....	<u>\$4,869,607</u>

STATEMENT OF SURPLUS - CAPITAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 1955

EXHIBIT C

Balance, July 1, 1954.....	\$60,549,732
Add:	
Capital outlay from non-capital funds, per School District records:	
School Current Fund.....	\$841,943
Child Care Centers Fund.....	\$8,369
Less portion charged current expenses by Controller.....	<u>7,968</u> 401
Special accumulative building fund.....	<u>5,750</u> 848,094
Proceeds of sale of property (Real Property Fund only).....	13,883
Bonded debt matured during the year.....	2,323,000
Miscellaneous adjustments, net.....	<u>2,832</u>
Total.....	\$63,737,541
Less cost or assigned book value of properties sold or otherwise retired (see Note 1).....	<u>293,269</u>
Balance, June 30, 1955.....	<u>\$63,444,272</u>

The notes are on Exhibit D.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1955

- (1) Fixed capital properties and bonded debt and bond interest payable and accrued are not recorded in the accounts of the School District. The amounts shown in the foregoing balance sheet are those shown by the records of the Controller.

Bonded debt and bond interest are general obligations of the City and County of San Francisco and are not liabilities of the School District. They are shown in the proprietary balance sheet because the proceeds of the bonds were used to acquire School District properties.

The amounts shown for fixed capital properties do not represent cost of properties and equipment presently owned by the School District. Certain of the properties are included at appraised value. The accounts of the Controller will be relieved of equipment sold, exchanged, or otherwise disposed of in the amount of \$57,682 during the year ended June 30, 1955 in the succeeding fiscal year; consequently the equipment shown in the balance sheet as of June 30, 1955 is overstated to that extent.

- 2) Proceeds from the sale of land and buildings, in the amount of \$340,913, were credited to revenues of the Current Fund during the year. This amount, together with \$826,327 carried forward from the prior year, is available for appropriation for capital outlay purposes only. The Board of Education has appropriated \$760,440 of this amount, and the balance of \$406,800 is available for appropriation for capital outlay purposes in future years.

(Continued)

(3) Surplus of the current fund at June 30, 1955 consists of the following:

Appropriations to be carried forward		
into the next year:		
Expenditures committed.....	\$1,047,566	
Expenditure not yet committed - outlay		
for Silver and Thomas Avenues		
Elementary School.....	1,886,887	
Other.....	<u>88</u>	\$2,934,541
Unappropriated:		
Available only for capital outlay purposes.	\$ 406,800	
Available for general purposes.....	<u>1,528,266</u>	<u>1,935,066</u>
Total.....		<u>\$4,869,607</u>

A Federal grant receivable in future periods in the amount of \$1,125,478 will offset a portion of the appropriation for the Silver and Thomas Avenues Elementary School.

(4) Contingent liability for personal injury claims is estimated by the legal advisor to the Board of Education to be \$100,000 at June 30, 1955.

Contingent liability for workmen's compensation claims pending at June 30, 1955 is estimated by the Retirement Board of the City and County of San Francisco to be \$85,000.

(5) Revenue, other than from secured taxes, is recorded only as monies are received by or for the credit of the School District. This practice is consistent with that of preceding periods.

(Concluded)

STATEMENT OF REVENUE AND EXPENDITURES  
OF THE CURRENT FUND

FOR THE YEARS ENDED JUNE 30, 1955 AND 1954, AND COMPARISON

	YEAR ENDED JUNE 30,		INCREASE
	1955	1954	(DECREASE)
REVENUE - Schedule 1.....	\$34,355,999	\$34,733,859	\$ (377,860)
OPERATING EXPENDITURES:			
Administration.....	\$ 929,492	\$ 951,182	\$ (21,690)
Instruction.....	23,232,992	23,005,957	227,035
Auxiliary service.....	300,186	294,972	5,214
Operations.....	2,771,355	2,539,977	231,378
Maintenance.....	1,718,623	1,406,121	312,502
Fixed charges.....	3,653,816	3,682,225	(28,409)
Transportation of pupils.....	242,792	353,292	(110,500)
Food service.....	154,292	122,086	32,206
Community services.....	288,254	262,700	25,554
Tuition paid to other districts..	25,795	1,981	23,814
Total direct expenditures....	\$33,317,597	\$32,620,493	\$ 697,104
Auxiliary (indirect) services contributed by the Department of Public Health.....	463,272	455,762	7,510
Total operating expenditures - Schedule 2.....	\$33,780,869	\$33,076,255	\$ 704,614
REMAINDER.....	\$ 575,130	\$ 1,657,604	\$(1,082,474)
NET CAPITAL OUTLAY FROM CURRENT FUNDS - Schedule 2.....	501,030	294,391	206,639
EXCESS OF REVENUE OVER EXPENDITURES	\$ 74,100	\$ 1,363,213	\$(1,289,113)



SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
FUNDS BALANCE SHEET, JUNE 30, 1955  
 (As shown by accounts of the Controller)

EXHIBIT F

LIABILITIES AND SURPLUS

	TOTAL	ENCUMBRANCES	INTER-FUND ACCOUNTS	RESERVE FOR DELINQUENT TAXES, PENALTIES, ETC.	FUND BALANCES		RETIREMENT, TRUST, AND AGENCY FUND BALANCES
					UNENCUMBERED	APPROPRIATED BUT UNAPPROPRIATED	
SCHOOL DISTRICT CURRENT FUND.....	\$ 6,711,656	\$ 793,349	\$1,321,764	\$429,329	\$1,971,090	\$2,196,124	
CAPITAL FUNDS:							
Real Property.....	\$ 83,425	\$ 79			\$ 67,776	\$ 15,570	
1948 School Bond.....	10,661,139	3,841,142	\$ 842,710		5,933,192	44,095	
Total - capital funds.....	\$10,744,564	\$3,841,221	\$ 842,710		\$6,000,968	\$ 59,665	
SPECIAL AND TRUST FUNDS:							
Child Care Centers.....	\$ 127,510	\$ 23,967	\$ 14,452	\$ 1,175	\$ 5,014	\$ 82,902	\$588,633
Cafeteria.....	238,680		11	1	5,000	233,668	3,350
Withholding Tax.....	588,633						37,843
Teachers' Sabbatical Leave.....	3,350						22,294
Teachers' Permanent.....	37,843						140
Teachers' Annuity.....	22,294						15,176
Veterans' Education.....	140						1,000
Will C. Steinbrunn.....	15,176						329,618
Anna Steinberg.....	1,000						
Fund for the Advancement of Education.	330,546	928					
Total - special and trust funds.....	\$ 1,365,172	\$ 24,895	\$ 14,463	\$ 1,176	\$ 10,014	\$ 316,570	\$998,054
TOTAL.....	\$18,821,392	\$4,659,465	\$2,178,937	\$430,505	\$7,982,072	\$2,572,359	\$998,054

## SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUNDS BALANCE SHEET, JUNE 30, 1955

## ASSETS

	TOTAL	CASH	ACCOUNTS RECEIVABLE	INTER-FUND ACCOUNTS	UNSOLED BONDS	INVENTORIES AND DEFERRED CHARGES	INVESTMENTS	FIXED CAPITAL PROPERTIES
PROPRIETARY BALANCE SHEET (Exhibit A).....	\$126,817,233	\$17,107,853	\$1,689,321	\$ 10,377		\$7,194,655		\$100,815,027
ADD:							\$5,000	
Investments.....	\$ 5,000							
Inter-fund work order authorizations (contra).....	1,181,631			\$1,181,631	\$990,000			
1948 School Bonds unsold.....	990,000							
Reserve for unsecured property taxes.....	426,674		\$ 426,674					
Cash transfers outstanding not recorded by Controller.....	53,385	\$ 53,385						
Total additions.....	\$ 2,656,690	\$ 53,385	\$ 426,674	\$1,181,631	\$990,000		\$5,000	
DEDUCT:								
Fixed capital properties.....	\$100,815,027							\$100,815,027
Warrants and payroll deductions outstanding.....	2,456,158	\$ 2,456,158						
Revolving funds.....	4,550	4,550						
Bonds matured, unpaid.....	4,000	4,000						
Bond interest matured, unpaid.....	14,749	14,749						
Hume Foundation Trust Fund.....	161	161						
Accounts receivable:								
Tuition from other counties and districts not billed.....	157,176		\$ 157,176					
Salary overpayments.....	6,030		6,030					
Rentals.....	25		25					
Inventories and deferred charges.	7,194,655					\$7,194,655		
Total deductions.....	\$110,652,531	\$ 2,479,618	\$ 163,231	\$1,132,008	\$990,000	\$7,194,655		\$100,815,027
FUNDS BALANCE SHEET (Exhibit F)....	\$ 18,821,392	\$14,681,620	\$1,952,764				\$5,000	

(Continued)



SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT C

RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUNDS BALANCE SHEET, JUNE 30, 1955

LIABILITIES AND SURPLUS

	ACCOUNTS			DEFERRED CREDITS	BONDED DEBT	BALANCE OF FUNDS
	BOND INTEREST	PAYABLE AND ENCUMBRANCES	INTER-FUND ACCOUNTS			
PROPRIETARY BALANCE SHEET (Exhibit A).....	\$126,817,233	\$275,979	\$ 3,426,475	\$ 576,797	\$1,491,663	\$46,086,000
						\$68,960,319
ADD:						
Investments.....	\$ 5,000					\$ 5,000
Inter-fund work order authorizations (contra).....	1,181,631					1,181,631
Inter-fund encumbrances.....						
1948 School Bonds unsecured.....	990,000					990,000
Reserve for unsecured property taxes.....	426,674					
Items deferred by Controller not deferred by School District.....				\$ 426,674		
Cash transfers outstanding.....				86		(86)
Total additions.....	53,385					53,385
	\$ 2,656,690			\$1,602,140	\$ 426,760	\$ 2,229,930

DEDUCT:

Fixed capital properties, less bonded debt....	\$100,815,027				\$46,082,000	\$54,733,027
Warrants and payroll deductions outstanding....	2,456,158					
Transfer balance of withholding tax, teachers' sabbatical leave, permanent, and annuity funds to accounts payable.....						
Revolving funds.....	4,550		652,119			(652,119)
Bonds matured, unpaid.....	4,000				4,000	4,550
Bond interest matured, unpaid.....	14,749					
Bond interest accrued, not due.....	261,230					(261,230)
Hume Foundation Trust Fund.....	161					161
Accounts receivable deferred credits:						
Items not recorded in Controller's records....	163,231			\$ 163,231		(1,324,612)
Items credited to income by Controller.....				1,324,612		
Other deferred credits not deferred by Controller.....				75		(75)
Inventories and deferred charges.....	7,194,655					7,194,655

Excess of accounts payable and encumbrances as shown by School District records over these obligations as shown by Controller's records

Total deductions.....			56,593			(56,593)
	\$110,652,531	\$275,979	\$ 3,164,870	\$1,487,918	\$46,086,000	\$59,637,764
	\$ 18,821,392		\$ 4,659,465	\$2,178,937	\$430,505	\$11,552,485
FUNDS BALANCE SHEET (Exhibit F).....						
						\$ 2,572,359
						7,982,072
						998,054
Total.....						\$11,552,485

(Concluded)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SCHEDULE 1

REVENUE OF THE CURRENT FUND FOR THE YEARS ENDED  
JUNE 30, 1955 AND 1954, AND COMPARISON

	YEAR ENDED JUNE 30,		INCREASE (DECREASE)
	1955	1954	
PROPERTY TAXES AND PENALTIES.....	\$19,977,771	\$20,637,381	\$(659,610)
APPORTIONMENTS FROM STATE OF CALIFORNIA (see Note 5):			
Elementary schools.....	\$ 7,439,626	\$ 7,119,817	\$ 319,809
High schools and City College.....	3,780,251	3,650,528	129,723
Retirement subventions.....	922,054	803,158	118,896
Total.....	\$12,141,931	\$11,573,503	\$ 568,428
OTHER REVENUE (see Note 5):			
San Francisco Housing Authority - in lieu of taxes.....	\$ 54,844	\$ 109,105	\$( 54,261)
Federal and state vocational education.....	54,693	57,461	( 2,768)
Reimbursement for veterans' vocational training.....	112,586	238,477	(125,891)
Tuition from other counties and districts.....	321,804	353,181	(31,377)
Rentals.....	362,940	364,083	(1,143)
Public Law 874 and other Federal aid.....	608,619	470,180	138,439
Federal construction grants.....	179,053	432,000	(252,947)
Miscellaneous.....	78,486	42,726	35,760
Total.....	\$ 1,773,025	\$ 2,067,213	\$(294,188)
Total direct revenues.....	\$33,892,727	\$34,278,097	\$(385,370)
AUXILIARY (INDIRECT) REVENUE:			
Services of physicians, dentists and nurses of the Department of Public Health.....	463,272	455,762	7,510
TOTAL REVENUES.....	\$34,355,999	\$34,733,859	\$(377,860)

The notes are on Exhibit D.

EXPENDITURES OF THE CURRENT FUND  
FOR THE YEARS ENDED  
JUNE 30, 1955 AND 1954, AND COMPARISON

	YEAR ENDED JUNE 30,		INCREASE (DECREASE)
	1955	1954	
<b>ADMINISTRATION:</b>			
Salaries.....	\$ 758,367	\$ 744,342	\$ 14,025
Supplies.....	44,499	47,665	(3,166)
Travel expense.....	13,207	14,529	(1,322)
Miscellaneous.....	113,419	144,646	(31,227)
Total.....	\$ 929,492	\$ 951,182	\$ (21,690)
<b>INSTRUCTION - SALARIES:</b>			
Supervision.....	\$ 446,463	\$ 408,915	\$ 37,548
Elementary schools.....	9,554,896	9,700,097	(145,201)
Special schools.....	569,836	552,225	17,611
Junior high schools.....	4,167,401	3,871,874	295,527
Senior high schools.....	4,205,929	4,225,811	(19,882)
Adult schools.....	816,881	859,498	(42,617)
Trade and industrial schools.....	373,192	378,686	(5,494)
Continuation school.....	172,178	175,281	(3,103)
City College.....	1,773,183	1,713,736	59,447
Total.....	\$22,079,959	\$21,886,123	\$193,836
<b>INSTRUCTION - SUPPLIES AND OTHER EXPENSES:</b>			
Educational supplies.....	\$ 635,515	\$ 627,027	\$ 8,488
Books.....	256,512	244,735	11,777
Travel expense.....	23,552	19,498	4,054
Miscellaneous.....	237,454	228,574	8,880
Total.....	\$ 1,153,033	\$ 1,119,834	\$ 33,199
<b>AUXILIARY SERVICES:</b>			
Compulsory education.....	\$ 165,953	\$ 165,083	\$ 870
Guidance service centers.....	94,350	91,661	2,689
Student placement service.....	23,502	22,072	1,430
Nurse service.....	9,840	9,240	600
Miscellaneous.....	6,541	6,916	(375)
Total.....	\$ 300,186	\$ 294,972	\$ 5,214
Total (forward).....	\$24,462,670	\$24,252,111	\$210,559

(Continued)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
EXPENDITURES

SCHEDULE 2

	YEAR ENDED JUNE 30, 1955                      1954		INCREASE (DECREASE)
Total (forward).....	\$24,462,670	\$24,252,111	\$ 210,559
OPERATION:			
Janitors, engineers and gardeners:			
Salaries.....	\$ 1,941,311	\$ 1,801,557	\$ 139,754
Supplies.....	122,062	113,379	8,683
Gas and electricity.....	334,765	269,691	65,074
Fuel.....	53,647	65,956	(12,309)
Water.....	56,342	55,101	1,241
Miscellaneous.....	263,228	234,293	28,935
Total.....	\$ 2,771,355	\$ 2,539,977	\$ 231,378
MAINTENANCE:			
Repairs:			
Buildings and grounds.....	\$ 1,427,342	\$ 1,148,034	\$ 279,308
Janitors' equipment.....	3,391	8,583	(5,192)
Educational equipment.....	261,586	230,788	30,798
Miscellaneous.....	26,304	18,716	7,588
Total.....	\$ 1,718,623	\$ 1,406,121	\$ 312,502
FIXED CHARGES:			
Rents.....	\$ 9,908	\$ 9,981	\$ (73)
Insurance.....	48,318	74,706	(26,388)
Compensation and accident claims...	39,328	97,281	(57,953)
Contributions to retirement system:			
City.....	3,506,598	3,455,467	51,131
State.....	44,820	45,198	(378)
Miscellaneous.....	4,844	(408)	5,252
Total.....	\$ 3,653,816	\$ 3,682,225	\$ (28,409)
TRANSPORTATION OF PUPILS.....	\$ 242,792	\$ 353,292	\$ (110,500)
FOOD SERVICE:			
Cafeteria supervision.....	\$ 67,202	\$ 47,007	\$ 20,195
Cafeteria maintenance.....	31,846	25,661	6,185
Free meals.....	22,019	20,813	1,206
Health classes and other expenses..	33,225	28,605	4,620
Total.....	\$ 154,292	\$ 122,086	\$ 32,206
Total (forward).....	\$33,003,548	\$32,355,812	\$ 647,736

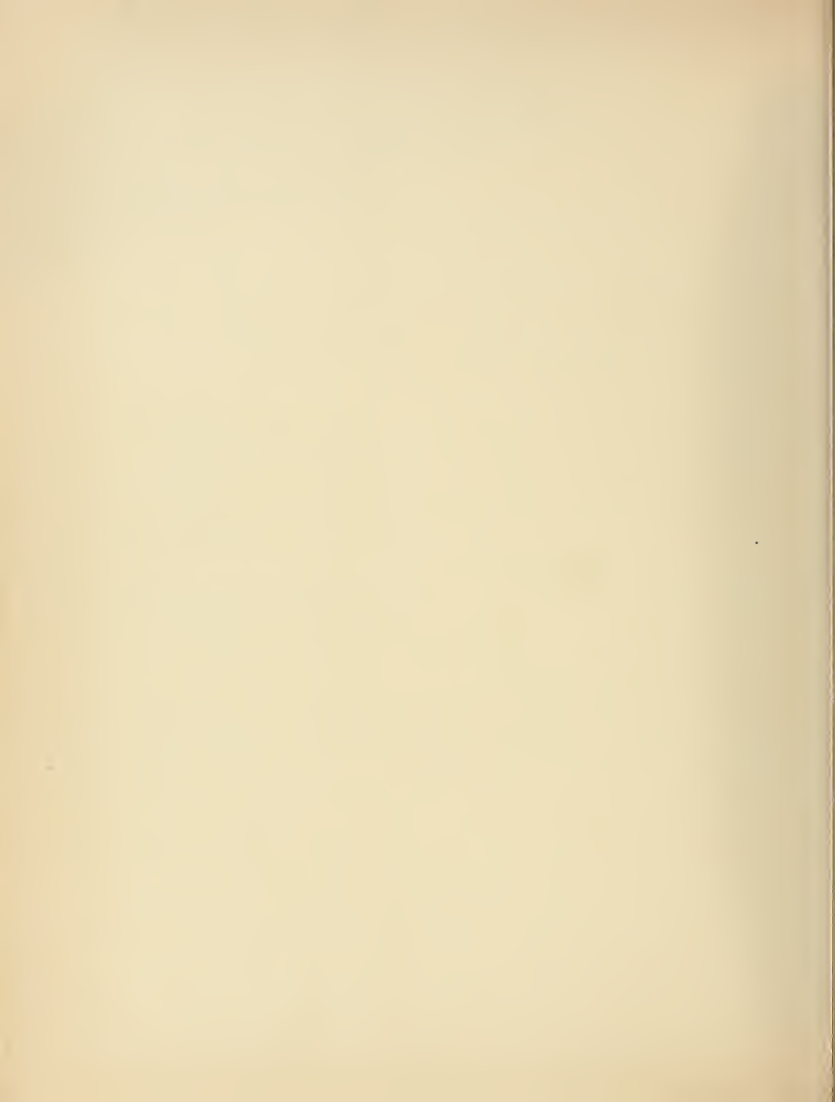
(Continued)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
EXPENDITURES

SCHEDULE 2

	YEAR ENDED JUNE 30,		INCREASE
	1955	1954	(DECREASE)
Total (forward).....	\$33,003,548	\$32,355,812	\$ 647,736
COMMUNITY SERVICES:			
Recreation program.....	\$ 172,188	\$ 160,124	\$ 12,064
Veterans' counseling.....	63,707	54,952	8,755
Civic Center activities.....	52,359	47,624	4,735
Total.....	\$ 288,254	\$ 262,700	\$ 25,554
TUITION PAID TO OTHER DISTRICTS.....	\$ 25,795	\$ 1,981	\$ 23,814
TOTAL DIRECT EXPENDITURES.....	\$33,317,597	\$32,620,493	\$ 697,104
AUXILIARY (INDIRECT) SERVICES			
CONTRIBUTED BY DEPARTMENT OF			
PUBLIC HEALTH:			
Medical inspection.....	\$ 90,401	\$ 85,452	\$ 4,949
Dental inspection.....	49,289	46,886	2,403
Nurse service.....	323,582	323,424	158
Total.....	\$ 463,272	\$ 455,762	\$ 7,510
TOTAL OPERATING EXPENDITURES.....	\$33,780,869	\$33,076,255	\$ 704,614
CAPITAL OUTLAY FROM CURRENT FUNDS:			
Land.....	\$ 37,289	\$ 172,344	\$ (135,055)
Buildings and improvements.....	318,034	170,306	147,728
Equipment.....	486,620	445,166	41,454
Total.....	\$ 841,943	\$ 787,816	\$ 54,127
Less sale of land and buildings (see Note 2, Exhibit D).....	340,913	493,425	(152,512)
NET CAPITAL OUTLAY FROM CURRENT FUNDS	\$ 501,030	\$ 294,391	\$ 206,639

(Concluded)



**City and County of San Francisco  
Employees' Retirement System**



**REPORT ON EXAMINATION OF FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 1955**

NEW YORK  
CHICAGO  
PHILADELPHIA  
PITTSBURGH  
SAN FRANCISCO  
TOLEDO  
TULSA  
WICHITA  
MILWAUKEE  
CANADA  
ENGLAND  
FRANCE  
VENEZUELA

# ARTHUR YOUNG & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

120 MONTGOMERY STREET

SAN FRANCISCO 4

MILWAUKEE  
PHILADELPHIA  
PITTSBURGH  
SAN FRANCISCO  
TOLEDO  
TULSA  
WICHITA  
MILWAUKEE  
CANADA  
ENGLAND  
FRANCE  
VENEZUELA

October 27, 1955

The Honorable Harry D. Ross, Controller,  
City and County of San Francisco,  
San Francisco, California

We have examined the statements of net assets and reserves to meet liabilities for benefits of San Francisco City and County Employees' Retirement System at June 30, 1955, and the related statement of changes in reserves for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the statements described above present fairly the financial position of San Francisco City and County Employees' Retirement System at June 30, 1955, and the results of operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

## SUMMARY OF AUDITING PROCEDURES

In determining the extent of our auditing procedures we took into account the accounting procedures and system of internal control of the System.

Cash on deposit with the Treasurer of the City and County of San Francisco has been confirmed and reconciled to the amount shown by the books.

Amounts due from the City and County of San Francisco representing City contributions in the course of collection, and like amounts representing members' contributions in the course of collection, have been confirmed and reconciled to the amounts shown by the books.

Investments in bonds were verified at June 30, 1955, by examination of the securities in the custody of the Treasurer of the City and County



of San Francisco, and by confirmation from appropriate agencies for bonds purchased but not received, and bonds in the course of redemption. No compilation of market values has been made.

Interest receivable on investments represented by interest coupons in the course of collection, and by interest accrued, was verified either by confirmation or calculation.

Statements of accumulated contributions as of June 30, 1955, were delivered to all members requesting that we be advised of any inaccuracies. All reports of differences were minor in number and amount, and were delivered to officials of the System for investigation.

The records of operations for the year ended June 30, 1955, have been reviewed. Tests have been made of members' contributions with the payroll records of the Controller of the City and County of San Francisco; and of disbursements to or for account of members for pension, withdrawal, or death, and for administrative expenses, with the records of original entry and supporting data.

*Arthur Young & Company*

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEMNET ASSETS JUNE 30, 1955

## ASSETS:

Cash		\$ 3,361,430.88
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## Receivables:

Employees' contributions in process of collection	\$ 620,180.37	
Contributions and reimbursements due from City and County of San Francisco		569,864.72
Bond interest accrued	<u>1,166,870.63</u>	

Total receivables		2,356,915.72
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## Bond investments, at cost less amortization:

(par value \$158,319,000)		
United States Government	66,542,031.72	
California municipalities, school districts, and other divisions	9,999,596.77	
Municipalities other than California	4,870,746.15	
Railroads	328,970.26	
Railroad equipment trusts	16,757,755.58	
Railroad terminals	1,660,868.37	
Public utilities	<u>57,915,803.08</u>	

Total bond investments at amortized value		<u>158,075,771.93</u>
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Total assets		163,794,118.53
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## LIABILITIES:

Payable to City and County of San Francisco:		
Unexpended tax appropriations	169,380.18	
Other	1,308.28	
Unexpended donations for actuarial surveys	1,750.00	
Death benefits on deposit	<u>20,451.81</u>	

Total liabilities		<u>192,890.27</u>
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## NET ASSETS (Reserved for benefits

- Exhibit A-1)

	\$ <u><u>163,601,228.26</u></u>
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See accompanying notes to financial statements and report of  
Arthur Young & Company dated October 27, 1955

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEMRESERVES TO MEET LIABILITIES FOR BENEFITS JUNE 30, 1955

## RESERVES FOR CURRENT SERVICE BENEFITS ALREADY GRANTED:

Service retirements provided from:	
Members' contributions	\$ 8,841,774.77
Employers' contributions	23,149,155.21
Disability retirements provided from:	
Members' contributions	813,194.25
Employers' contributions	8,252,359.16
Industrial death allowances provided from:	
Members' contributions	149,962.35
Employers' contributions	<u>1,647,078.74</u>
Total reserves for current service benefits already granted	42,853,524.48

## RESERVES FOR CURRENT SERVICE BENEFITS NOT YET GRANTED:

Members' accumulated normal contributions:	
General	\$ 42,418,686.42
Police	5,169,210.79
Fire	4,171,735.74
Members' accumulated additional contributions	<u>1,007,516.30</u>
	52,767,149.25

City and County of San Francisco accumulated contributions	<u>57,759,318.37</u>
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Total reserves for current service benefits not yet granted	110,526,467.62
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## PRIOR SERVICE BENEFITS (Note 1)

## GENERAL RESERVES:

City and County of San Francisco contributions reserved for prior and current service benefits not otherwise funded	2,515,124.93
Unallocated gains on sales of bonds	2,558,030.40
Contingency reserve against adverse experience	5,124,820.03
Unclaimed contributions of former members	<u>23,260.80</u>
Total other reserves	<u>10,221,236.16</u>
Total reserves	<u>\$ 163,601,228.26</u>

See accompanying notes to financial statements and report of  
Arthur Young & Company dated October 27, 1955

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEMCHANGES IN RESERVES FOR YEAR ENDED JUNE 30, 1955

## ADDITIONS TO RESERVES:

## Contributions of members for current service reserves:

## Normal:

General	\$ 6,011,905.47	
Police	696,795.17	
Fire	<u>568,158.40</u>	\$ 7,276,859.04

Additional		89,152.30
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Redeposit of normal contributions previously withdrawn	<u>8,706.32</u>	\$ 7,374,717.66
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## Contributions of City and County of San Francisco for current service reserves:

General	8,287,004.22	
Police	1,954,853.84	
Fire	<u>1,672,813.98</u>	11,914,672.04

## Reimbursement by the City and County of San Francisco (contra):

## Current service benefits:

Police	172,044.67	
Fire	<u>832,120.39</u>	1,004,165.06

## Prior service benefits:

General	815,857.28	
Police	848,641.87	
Fire	<u>1,407,794.18</u>	<u>3,072,293.33</u>
		15,991,130.43

## Other additions:

Bond interest earned	4,234,196.43	
Gains from sales and redemptions of bonds	67,850.50	
Other	<u>1,420.61</u>	<u>4,303,467.54</u>

Total additions to reserves		\$ <u><u>27,669,315.63</u></u>
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See accompanying notes to financial statements and report of  
Arthur Young & Company dated October 27, 1955

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEMCHANGES IN RESERVES FOR YEAR ENDED JUNE 30, 1955

(Continued)

Total additions to reserves		\$ 27,669,315.63
Deductions from reserves:		
Allowances and benefits paid:		
From contributions for		
current service reserves:		
Members	\$ 1,487,751.81	
City and County of		
San Francisco	3,430,425.77	
From reimbursements		
by the City and County		
of San Francisco (contra):		
Current service		
benefits	1,004,165.06	
Prior service		
benefits	3,072,293.33	\$ 8,994,635.97
Accumulated contributions		
withdrawn		959,695.20
Net interest credited to		
death benefits on deposit		<u>515.65</u>
Total deductions from reserves		<u>9,954,846.82</u>
Net additions to reserves		17,714,468.81
Reserves at June 30, 1954	145,884,934.81	
Reclassifications at July 1, 1954:		
Death benefits on deposit, re-		
classified under "liabilities"	<u>21,436.16</u>	
	145,863,498.65	
Unclaimed contributions of		
former members, reclassified		
under "reserves"	<u>23,260.80</u>	
Reserves at July 1, 1954		<u>145,886,759.45</u>
Reserves at end of year		<u>\$ 163,601,228.26</u>

See accompanying notes to financial statements and report of  
Arthur Young & Company dated October 27, 1955

# SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 1955

- Note 1: All prior service benefits and certain current service benefits are a liability solely of the City and County of San Francisco and are not, therefore, included in the Reserves to meet liabilities for benefits of the San Francisco City and County Employees' Retirement System.
- Note 2: The Charter of the City and County of San Francisco provides that the San Francisco City and County Employees' Retirement System is to act as the administrative agency in the matter of compensation insurance for all employees of the City. The Consulting Actuary has estimated the future liability at June 30, 1955 of the City and County of San Francisco for compensation claims pending under the workmen's compensation laws of the State of California to be \$1,246,000.
- Note 3: Administrative expenses of the System, and compensation costs incurred as the administrative agency of the City for industrial compensation insurance, being liabilities of the City and County of San Francisco, do not, therefore, affect the reserves of the System. The following tabulation sets forth transactions of this nature for the year ended June 30, 1955:

Administrative expenses of the System		\$ 209,638.02
Compensation insurance costs incurred:		
Weekly benefits	\$ 194,853.27	
Medical expenses	234,048.05	
Premiums	3,243.70	
Administrative expense	<u>19,897.00</u>	
	452,042.02	
Less: Refunds from special funds and subrogation recoveries	<u>239,194.44</u>	<u>212,847.58</u>
Reimbursements received from the City and County of San Francisco		\$ <u>422,485.60</u>

The San Francisco City and County Employees' Retirement System was established by the Board of Supervisors of the City and County of San Francisco on April 1, 1922, under authority of Article XVII of the Charter adopted at a general election on November 2, 1920. At that time the System provided for retirement allowances and death benefits for employees of the City other than uniformed members of the Police and Fire Departments and the San Francisco Unified School District. In 1925 membership was extended to include employees of the San Francisco Unified School District. Under the City Charter effective January 8, 1932, establishing the present name and administrative organization of the System, membership was extended to uniformed employees of the Police and Fire Departments. Prior to this time all such police and firemen were members of a separate pension plan. At June 30, 1955, there were more than 19,000 employees, and more than 4,500 retired employees or their beneficiaries receiving monthly benefits.

Membership in the System is now compulsory for all full-time employees of the City and the San Francisco Unified School District, permanent civil service part-time employees, and certain elective officials. Hereafter in this report the use of the term "City" will refer, wherever appropriate, to the agencies employing members described in the preceding sentence.

Retirement benefits are based upon current service and prior service. Current service benefits fall into two categories; reserve and non-reserve; while past service benefits are in the non-reserve category only.

The reserve category of current services comprises contributions made by members and by the City, computed upon percentages of employees' earnings determined by the Consulting Actuary and based upon actuarial valuations made at intervals not exceeding six years. These percentages are approved by the Retirement Board. Upon approval of the Retirement Board members have the right to make additional voluntary contributions, but, for members who so elect, no additional contributions are required of the City. The total of normal and additional contributions is substantially limited to fifteen per cent of earnings.

The non-reserve category of current service benefits, and all prior service benefits, being a liability solely of the City (except as indicated hereunder with respect to police under Section 166 of the City Charter), are not reflected in the statement of "Reserves to meet liabilities for benefits." Since the System administers these benefits, the payments made by

is and the reimbursements thereof by the City appear as off-setting items in the statement of "Changes in Reserves." That portion of the reimbursement based upon current services is for payments made to certain uniformed employees of the Fire Department under Section 169 of the City Charter. Similar payments for current service of uniformed employees of the Police Department, under Charter Section 166, include nominal contributions by these members.

In addition to retirement benefits based upon length of service, the System provides for the payment of disability pensions, and allowances on account of service-connected death. Certain other death benefits are also available to beneficiaries of deceased members.

The cost of administering the System is a liability of the City. The System acts as the administrative agency for the payment of compensation insurance to all employees of the City. For these reasons the administrative expense and compensation costs incurred are shown as notes on the statement of Changes in Reserves rather than in the body of that statement.

The System is administered by the Retirement Board, which has exclusive control of the funds of the System. The Board consists of the President of the Board of Supervisors, the City Attorney, a resident official of a life insurance company, and an officer of a bank, the latter two of whom are appointed by the Mayor, and three persons elected by and from the active membership. The Board appoints a Secretary and a Consulting Actuary.

The present members of the Retirement Board are George J. Christopher, President of the Board of Supervisors; Dion R. Holm, City Attorney, whose designated representative is Norman S. Wolff, Assistant City Attorney; Harry J. Stewart, of West Coast Life Insurance Company; Belford Brown, of First Western Bank and Trust Company. The three persons elected from the active membership are John F. Brady, President of the Retirement Board, Anselm B. Crowley, and William J. Murphy. Ira G. Thompson is Secretary and Ralph R. Nelson is Consulting Actuary.

#### CHANGES IN RESERVES

Except for minor differences which are being corrected, contributions of members and contributions by the City for current service reserves were made in accordance with rates recommended by the Consulting



Actuary and approved by the Board. The City's contributions were based upon rates established by an actuarial survey as of June 30, 1951, adjusted in accordance with subsequent amendments to the Charter, as follows:

<u>Department</u>	<u>Charter Section</u>	<u>Rates</u>
Police Department	168.1	21.062%
Fire Department	171.1	21.662
Municipal Railway	165.2	6.502
Water Department	165.2	10.605
All other departments	165.2	12.553

The reimbursement by the City of certain current and prior service benefits was made in the manner described on page 9 of this report.

Bond interest earned represents interest collected or accrued, plus the excess of amortization of discounts over premiums, less a portion of prior years' gains on sales of bonds. Bond interest earned, less amounts allocated to reserve accounts at the rate of 2 1/2% per annum, is credited to the "Contingency reserve against adverse experience account" as explained under the caption, "Reserves."

Gains of \$67,850.50 were realized from the sale and redemption of bonds during the year. Upon approval of the Retirement Board, the excess of proceeds received over the book value of certain bonds called were applied to reduce the book value of other bonds considered as purchased with the proceeds of the redeemed bonds. This excess of \$57,765.72 is shown as an increase in the reserve for unallocated gains on the sales of bonds. The remainder, \$10,084.78, increasing the Contingency reserve against adverse experience, represents gain on bonds sold, the proceeds from which were not considered by the Board as reinvested in other bonds purchased.

The allowances and benefits paid during the year are classified as follows:

Service retirements	\$ 6,036,240.13
Disability retirements	1,615,992.73
Industrial death allowances	592,123.50
Death benefits to members' beneficiaries	571,157.42
Death benefits to beneficiaries of retired members	<u>179,122.19</u>
Total	<u>\$ 8,994,635.97</u>

## NET ASSETS

### Cash

Cash is in the custody of the Treasurer of the City and County of San Francisco.

Certain warrants amounting to \$56,335.47, which were cancelled by the Controller's Department after they had remained unpaid for a period of six months, are being carried as outstanding warrants in the accounts of the System and have been deducted to arrive at the cash balance. Warrants comprising a substantial portion of the above sum have been outstanding more than the statutory period within which claims of this nature are legally enforceable.

### Receivables

Employees' contributions in the process of collection, \$620,180.37, are amounts withheld from the employees' salaries for the month of June 1955, and contributions for the months of May and June 1955 to be remitted by the City and County in behalf of certain employees on military leave.

Contributions and reimbursements due from the City and County of San Francisco are summarized as follows:

Contributions for current service reserves due from public utilities and special funds	\$ 496,640.11
Contributions of policemen paid to the Police Relief and Pension Fund prior to January 8, 1932	52,755.26
Reimbursement for insurance compensation costs	<u>20,469.35</u>
Total	<u>\$ 569,864.72</u>

The amounts due from public utilities and special funds are for the City's share of contributions for the months of May and June, 1955.

Funds contributed by policemen prior to January 8, 1932, to a former pension plan were not transferred to the System upon their admission to membership on that date. These contributions will be collected from the City upon the separation, death, or retirement of members of the former pension plan.

The amounts due for insurance compensation costs under the Labor Code of the State of California represent disbursements made by the System for account of various governmental departments.

Bond interest accrued, \$1,166,670.63, represents coupons in

the process of collection and accrued interest computed from the interest dates of the respective bond issues.

#### Bond investments at cost less amortization

Bonds owned by the System are held in the joint custody of the Treasurer and the Controller of the City and County of San Francisco. The amount of \$158,075,771.93 represents the purchase price of bonds owned, adjusted for amortization of premiums and discounts from the purchase dates to June 30, 1955.

None of the bonds owned appeared in default as to principal or interest. A letter of representation was obtained from Mr. Ira G. Thompson, to the effect that all bonds are of the character legal for investment by insurance companies in the State of California, the criterion for the System established by the Charter.

#### Liabilities

Unexpended tax appropriations, \$169,380.18, payable to the City and County of San Francisco, is the excess of appropriations over requirements for the year ended June 30, 1955, and is analyzed as follows:

Balance, June 30, 1954		\$ 971,485.30
Returned to General Fund	\$ 971,485.30	
Refunded to Recreation and Park Fund, amount transferred erroneously during year ended June 30, 1954, to provide funds for supplemental appropriations	<u>8,600.00</u>	<u>980,085.30</u>
		(8,600.00)
Tax appropriations allocated to Retirement System for current year	10,618,784.10	
Less: Charges for current and prior service and other costs	<u>10,440,803.92</u>	<u>177,980.18</u>
Balance, June 30, 1955		\$ <u>169,380.18</u>

Opinion number 881 of the City Attorney, dated September 24, 1954, provides that the excess in appropriations made to the System subsequent to July 1, 1946, is to be returned to the General Fund in compliance with Section 80 of the Charter. Amounts of this nature accumulated prior to July 1, 1946, are retained in the reserves by the System.

Death benefits on deposit, \$20,451.81, represent sums payable monthly to beneficiaries of deceased members.

#### RESERVES TO MEET LIABILITIES FOR BENEFITS

Current service benefits already granted, \$42,853,524.48, represent the balance in the reserves available for pensions of retired and deceased members.

As previously explained, funds for the prior service portion of all benefits granted to retired members, and the allowances for members retired under Sections 166 and 169 of the Charter, are not reflected in the reserves of the System, but are reimbursed monthly by the City.

Bond interest earned was allocated to reserves at the rate of 2 1/2% per annum, and the balance to Contingency reserve against adverse experience.

Current service benefits not yet granted, \$110,526,467.62, are comprised of the balances at June 30, 1955, of the accumulated members' contributions of \$52,767,149.25, including interest credited thereto, and accumulated contributions of the City, \$57,759,318.37, including interest.

Individual account balances are maintained by the System for accumulated members' contributions and interest. Separate accounts for individual members are not maintained for contributions of the City.

City and County of San Francisco contributions reserved for prior and current service not otherwise funded, \$2,515,124.93, consist of contributions made prior to July 1, 1946 by the City for police and firemen under Sections 166 and 169 of the Charter not required by reason of death or withdrawal of the members; together with contributions transferred since June 30, 1946, under "matching plans" as tabulated hereunder. Transfers are made from this reserve to the reserve for disability retirements, in the amounts recommended by the Consulting Actuary to maintain the actuarial present cash value of that portion of the reserve pertaining to members retired under matching plans. This reserve is also reduced for certain death benefits, and for the restoration of matching City contributions in connection with redeposit of contributions of members previously withdrawn. Changes during the year under review were as follows:

Balance at June 30, 1954

\$ 2,490,740.38

Increases:

Matching contributions released on withdrawal of active members

\$ 40,279.30

Matching contributions released on death of active members

27,478.19

Interest credited to reserve

111,651.02

179,408.51

2,670,148.89

Decreases:

Amount allocated to the reserve for disability pensions:

Required at June 30, 1955 2,062,609.41

Required at June 30, 1954 1,988,216.86

Increase in amount allocated 74,392.55

Death benefits paid to beneficiaries of matching plan members

77,372.15

Amount transferred on account of redeposit of members' contributions previously withdrawn

3,259.26

155,023.96

\$ 2,515,124.93

Unallocated gains on sales of bonds, \$2,558,030.40, represent the unabsorbed portion of gains from the sales of certain bonds, the proceeds of which were considered by the Retirement Board as reinvested in other bonds purchased. These gains are being distributed over the life of the bonds purchased as follows:

Gains realized from sales of bonds:

Year ended June 30, 1943

\$ 400,421.35

1944

1,418,102.36

1945

3,207,543.26

1954

31,050.49

1955

57,765.72

5,114,883.18

Applied for eleven years ended June 30, 1954

2,357,203.47

Applied for year ended June 30, 1955

2,757,679.71

199,649.31

Unallocated gains at June 30, 1955

\$ 2,558,030.40

Contingency reserve against adverse experience, \$5,124,820.03, represents the excess of interest earned on bond investments over amounts allocated annually to reserve accounts, as well as gains of \$2,574,081.44

from the sales of bonds in prior years. This reserve, established to meet possible deficiencies in interest of future years, losses on investments, and other contingencies, was approved by the Retirement Board on December 1, 1944.

Changes in the reserve during the year are:

Balance, June 30, 1954	\$ 4,304,443.04
Bond interest earned during the year	\$ 4,234,196.43
Gain on bonds sold and called during the year	10,084.78
Prior years' gains on sales of bonds applied during the year	199,649.31
Interest earned on City and County of San Francisco balance	<u>1,420.61</u>
Total	<u>4,445,351.13</u>
	8,749,794.17
Less interest credited to accumulated reserves for current service benefits	<u>3,624,974.14</u>
Balance, June 30, 1955	<u>\$ 5,124,820.03</u>

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# Treasurer's Office

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REPORT ON EXAMINATION OF ACCOUNTS  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 1955

CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

October 28, 1955

Mr. Harry D. Ross  
Controller  
City and County of San Francisco

OFFICE OF THE TREASURER  
Report on Examination of Accounts  
Fiscal Year Ended June 30, 1955

Dear Sirs:

In accordance with your instructions and pursuant to provisions of Charter Section 66, an examination, to the extent outlined in this report, was made of the office of the Treasurer of the City and County of San Francisco for the Fiscal Year ended June 30, 1955.

Mr. David F. Supple, Grand Jury Statistician, participated in this examination.

AUTHORITY

Operations of the Treasurer's Office are governed by provisions of the General Laws of the State of California, the City and County Charter, and ordinances and resolutions of the Board of Supervisors. The Laws pertaining to those operations are cited in audit reports of prior years. Pertinent excerpts on current laws are cited in applicable sections of this report.

SCOPE OF EXAMINATION

Examination was made of accounts and records maintained by the Treasurer, including a verification of moneys and securities received and disbursed during the fiscal year and the accountability thereof as at June 30, 1955, according to the Controller's records, as hereinafter reported. In view of the existing methods of internal check and continuous audits of receipts and disbursements maintained between the office of the Treasurer and Controller, a detailed audit thereof was not duplicated by this examination.

Cash on hand was verified June 30, 1955, by count. Cash in banks was reconciled with the Treasurer's records and confirmed direct to this office by the several depositaries.

Securities and other assets in the custody of the Treasurer, June 30, 1955, were verified as hereinafter reported.

Revenues and expenditures in connection with the operation of the Treasurer's Office during fiscal year were confirmed against the Controller's records.

Unused pre-numbered fee tags in possession of the Treasurer were in agreement with fee tags charged to the Treasurer by the Controller's Revenue Division.



EXAMINATION

The Treasurer's accountability for cash and securities as at June 30, 1955, amounted to \$343,788,447.69, as compared with June 30, 1954 accountability of \$335,133,088.26, summarized as follows:

	<u>June 30, 1955</u>	<u>June 30, 1954</u>
Cash and Cash Items	\$ 83,336,033.69	\$ 84,846,611.76
Securities (Par Value Bonds)	260,446,975.00	250,281,437.50
Other Deposits (Corporate Stock)	<u>5,439.00</u>	<u>5,039.00</u>
Total Exhibit "A"	<u>\$343,788,447.69</u>	<u>\$335,133,088.26</u>

Cash and cash items totaling \$83,336,033.69, as detailed in Exhibit "A", were in agreement with the total charged to the Treasurer by the Controller as at that date, as indicated in the following comparative summary:

	<u>June 30, 1955</u>	<u>June 30, 1954</u>
Cash and Cash Items on Hand	\$ 1,573,909.04	\$ 1,187,022.11
Cash in Banks	80,891,708.34	82,930,764.88
United States Bonds (Par Value)	<u>102,900.00</u>	<u>69,300.00</u>
	\$ 82,568,517.38	\$ 84,187,086.99
Deposits received after June 30th, applicable to fiscal year under review	<u>767,516.31</u>	<u>659,524.77</u>
Total June 30th, per Treasurer and Controller	<u>\$ 83,336,033.69</u>	<u>\$ 84,846,611.76</u>

The above \$83,336,033.69 was reconciled with Controller's available cash of \$73,266,580.95; the difference of \$10,069,452.74 consists of outstanding items per Controller's Division of Accounts and Reports, as follows:

	<u>General City</u>	<u>Public Service Enterprises</u>	<u>Total</u>
Warrants Outstanding	\$8,394,297.93	\$1,569,617.31	\$ 9,963,915.24
Matured and Unpaid Bonds	9,000.00	38,200.00	47,200.00
Matured and Unpaid Bond Coupons	<u>7,168.75</u>	<u>51,168.75</u>	<u>58,337.50</u>
Total	<u>\$8,410,466.68</u>	<u>\$1,658,986.06</u>	<u>\$10,069,452.74</u>

CASH AND CASH ITEMS ON HAND

The sum of \$1,573,909.04 consists of:

<u>Item</u>		<u>Audit Comment</u>
Coin and Currency	\$ 952,938.94	Verified by count.
Checks on Hand for Deposit	620,141.15	All current; deposited in bank 7-1-55.
Due from Clearing House	<u>828.95</u>	Adjusted on next day's clearing.
Total	<u>\$1,573,909.04</u>	

CASH IN BANKS \$80,891,708.34

Cash confirmed directly to be on deposit in banks at the close of business June 30, 1955, in the amount of \$81,251,540.29, as detailed in Exhibit A-1, was reconciled with balances reflected on the Treasurer's records totaling \$80,891,708.34; segregated as follows:

Bank	Amount of Deposit		Total	Per Cent
	Inactive	Active		
American Trust Co.	\$ 4,000,000.00	\$ 3,726,071.97	\$ 7,726,071.97	9.55%
Anglo Calif. National Bank	7,375,000.00	2,016,823.17	9,391,823.17	11.60%
Bank of America	21,050,000.00	14,102,730.17	35,152,730.17	43.46%
Bank of Canton	500,000.00	500,000.00	1,000,000.00	1.24%
Bank of California	4,250,000.00	2,239,404.76	6,489,404.76	8.02%
Bank of Montreal	500,000.00	500,000.00	1,000,000.00	1.24%
Bank of Tokyo	250,000.00	250,000.00	500,000.00	.62%
Canadian Bank of Commerce	650,000.00	650,000.00	1,300,000.00	1.61%
Crocker First National Bank	1,500,000.00	2,500,000.00	4,000,000.00	4.94%
First Western Bank & Trust Co.	2,500,000.00	2,637,742.08	5,137,742.08	6.35%
Pacific National Bank	750,000.00	1,250,000.00	2,000,000.00	2.47%
Sumitomo Bank	250,000.00	250,000.00	500,000.00	.62%
Wells Fargo Bank & Union Trust Co.	4,000,000.00	2,693,936.19	6,693,936.19	8.28%
Total	<u>\$47,575,000.00</u>	<u>\$33,316,708.34</u>	<u>\$80,891,708.34</u>	
Ratio of Deposits	58.81%	41.19%	100.00%	

All inactive accounts are maintained in compliance with Government Code Section 536 43, which reads:

"The Treasurer may deposit any part of the money for a definite term agreed upon between him and the depository. The term shall not exceed one year."

Supervisors' Resolution No. 3469 approved August 16, 1947, authorizes the Treasurer to enter into the necessary agreements with the banks, as required by law for the deposit of funds under his jurisdiction, and to determine the amount that shall be deposited in either active or inactive accounts.

As detailed in Exhibit "A-1", the amounts on deposit with banks as at June 30, 1955, are within the limitations specified in Government Code Section 53638, which reads:

"The deposit shall not exceed the total paid-up capital and surplus of any depository."

Interest totaling \$541,647.38 was earned on the inactive deposit balances for 1954-1955.

Inactive deposits of \$47,575,000.00, represented by Certificates of Deposits, are in agreement with the Treasurer's accounts and bank confirmations.

The active deposit balances of \$33,316,708.34 were reconciled with \$33,676,540.29, confirmed to be on deposit by the banks. The difference of \$359,831.93, consists of currently dated outstanding checks totaling \$359,766.70 and a deposit of \$65.25 of June 30, 1955, recorded by the Treasurer as at July 1, 1955.

UNITED STATES BONDS (BAIL DEPOSITS) - \$102,900.00 Par Value

United States Bonds having a par value of \$102,900.00, representing deposits with Superior and Municipal Courts as bail, agreed with the amount charged to the Treasurer, per Controller's records. The \$102,900.00 includes bonds in the amount of \$16,750.00, representing 64 deposits for which Court orders for the release or forfeiture were issued.

DEPOSITS AFTER JUNE 30, 1955 - \$767,516.31

The \$767,516.31 represents collections by various City and County Departments pertaining to 1954-1955 transactions which were deposited with the Treasurer in July 1955, as follows:

July 1, 1955	\$566,471.76
July 5, 1955	86,121.89
July 6, 1955	7,363.78
July 7, 1955	<u>107,558.88</u>
Total	<u>\$767,516.31</u>

TREASURER'S CASH AND CASH ITEMS - \$83,336,033.69

The Treasurer's cash and cash items in the total of \$83,336,033.69 are detailed by individual funds in Exhibit D, D-1, and D-2; reconciled as to cash transactions for the fiscal year in Exhibit "C"; summarized and compared by fund classifications as follows:

CLASSIFICATION BY FUNDS

	June 30th	
	<u>1955</u>	<u>1954</u>
<u>CURRENT FUNDS:</u>		
General City	\$36,233,331.04 (1)	\$34,276,284.92
Public Service Enterprises	<u>10,524,986.70</u>	<u>8,406,253.07</u>
General City - Bond Interest	25,954.19	32,612.06
Public Service Enterprises-Bond Interest	723,668.75	804,968.75
General City - Bond Redemption	9,000.00	13,000.00
Public Service Enterprises-Bond Redempt.	<u>2,038,200.00</u>	<u>2,094,200.00</u>
TOTAL CURRENT FUNDS (EXHIBIT D)	<u>\$49,555,140.68</u>	<u>\$45,627,318.80</u>
<u>CAPITAL FUNDS:</u>		
General City	\$17,839,244.55	\$19,448,680.63
Public Service Enterprises	<u>7,349,358.05</u>	<u>12,803,589.83</u>
TOTAL CAPITAL FUNDS (EXHIBIT D-1)	<u>\$25,188,602.60</u>	<u>\$32,252,270.46</u>
<u>SPECIAL AND TRUST FUNDS:</u>		
Private Trusts	\$ 1,479,706.44	\$ 1,977,312.22
Public Trusts	5,976,753.81	4,189,278.67
Assessment and Redemption	12,343.55	12,343.55
Agency	<u>1,123,486.61</u>	<u>788,088.06</u>
TOTAL SPECIAL AND TRUST FUNDS (EXHIBIT D-2)	<u>\$ 8,592,290.41</u>	<u>\$ 6,967,022.50</u>
TOTAL OF ALL FUNDS (EXHIBIT C)	<u>\$83,336,033.69</u>	<u>\$84,846,611.76</u>

- (1) Includes deficits in Auditorium Fund \$167,930.42, Firemen's Relief and Pension Fund \$171,332.32, and Police Relief and Pension Fund \$103,235.58, which were created prior to the adoption of the present Charter, effective January 8, 1932.

SECURITIES - PAR VALUE - \$260,452,414.00

Securities held in the joint custody vault of the Treasurer and Controller as provided by Charter Section 83, were examined and verified as hereinafter reported. All securities summarized below, except collateral securities deposited by banks, are held in the joint custody vault. The total par value of securities charged to the Treasurer as at June 30, 1955, is compared with the Controller's book values as follows:

<u>CHARGED BY THE CONTROLLER:</u>	<u>Treasurer's Par Value</u>	<u>Controller's Book Value</u>
<u>BONDS:</u>		
Employees' Retirement Fund	\$158,319,000.00	\$158,075,771.93
Bequest and Trust Funds	312,500.00	313,687.50
Deposits on Leases	108,000.00	108,000.00
Miscellaneous Deposits	<u>1,475.00</u>	<u>1,475.00</u>
Total	<u>158,740,975.00</u>	<u>158,498,934.43</u>
<u>CORPORATE STOCK:</u>		
Bequest Funds	439.00	2,094.25
Deposits on Leases	<u>5,000.00</u>	<u>5,000.00</u>
Total	<u>5,439.00</u>	<u>7,094.25</u>
<u>NOT CHARGED BY THE CONTROLLER:</u>	<u>PAR VALUE</u>	<u>MARKET VALUE</u>
Collateral Securities (Bonds)	<u>\$101,706,000.00</u>	<u>\$100,639,040.63</u>
TOTAL SECURITIES ACCOUNTED FOR BY THE TREASURER, JUNE 30, 1955	<u>\$260,452,414.00</u>	<u>\$259,145,069.31</u>

EMPLOYEES' RETIREMENT FUND - PAR VALUE BONDS - \$158,319,000.00

Verification of bonds in the above amount and coupons attached thereto was made by physical count as at June 30, 1955, in conjunction with representatives of Arthur Young and Company, Certified Public Accountants, engaged for this year's audit of the Employees' Retirement System.

Pursuant to Controller's instructions dated August 15, 1940, bonds and coupons maturing during the fiscal year were examined and released by the Controller's Division of Accounts and Reports to the Treasurer for collection. Reports reflecting monthly collections for 1954 and 1955 were prepared by the Controller's Division of Accounts and Reports and transmitted to the Employees' Retirement Board, as requested in a memorandum dated August 6, 1933, from Mr. Ralph Nelson, then Secretary-Actuary.

The total par value of bonds in the amount of \$158,319,000.00 on hand with the Treasurer June 30, 1955, was confirmed by the Employees' Retirement System; the total was also in agreement with the Controller's Security Ledger.

Transactions during the fiscal year 1954-1955 were summarized from the Controller's Records, at par values, as follows:

Bonds on hand June 30, 1954, per prior annual audit report	\$142,413,987.50
Add: Purchases during 1954-1955	18,388,000.00
	<u>160,801,987.50</u>
Less: Matured, Called or Sold	2,482,987.50
	<u>158,319,000.00</u>

BEQUEST AND TRUST FUNDS - \$312,500.00 Par Value Bonds

Bonds in the above amount, with unmatured interest coupons attached, were verified with the Controller's records; detail of bonds examined are reflected in Exhibit A-2 (by funds) and Exhibit A-3 (by securities).

During the fiscal year, the Strybing Bequest Fund redeemed \$50,000.00 par value United States Savings Bonds Series G, Maturing April 1, 1955. The collection of principal and interest in the amount of \$50,625.00 was credited to the Strybing Bequest Fund, May 10, 1955.

The Panama Pacific Exposition Trust Fund purchased a Southern California Edison Co., First Mortgage Bond, par value \$1,000.00 to replace New York Stock Certificates, par value \$1,000.00, redeemed May 1, 1954.

The collection and deposit of interest on Bequest and Trust Fund Bonds is verified currently by the Controller's Division of Accounts and Reports; the verification was test checked for the purpose of this audit.

DEPOSIT ON LEASES - \$108,000.00 Par Value Bonds

Security on various leases of City and County property is represented by deposits of United States Treasury Bonds with a par value of \$108,000.00. The deposits conform to provisions of leases and amounts reflected on the Controller's records as detailed on Exhibit A-3.

MISCELLANEOUS DEPOSITS - UNITED STATES SAVINGS BONDS \$1,475.00

The \$1,475.00 represents deposits with the Treasurer for safekeeping by the following departments, as detailed on Exhibit A-3:

County Clerk - Superior Court Action 396879 Estate of Henry J. Byrne	\$ 1,425.00
Recreation and Park Department, North Beach Playground, per Supervisors Reso. 12022	25.00
Mr. Dane Conroy (Absent Heir)	<u>25.00</u>
Total (United States Savings Bonds)	<u>\$ 1,475.00</u>



CORPORATE STOCK - \$5,439.00

Corporate Stock of \$5,439.00, par value, as detailed in Exhibit A-3, consists of:

	<u>Treasurer's Records Par Value</u>	<u>Controller's Records Book Value</u>
<u>BEQUEST FUNDS:</u>		
August Brunetti Bequest Bank of America N. T. & S. A. 2 Shares of Common Stock	\$ 25.00	\$ 36.50
Transamerica Corporation 7 Shares of Capital Stock	14.00	57.50
Llewella F. Lewis Bequest Smart, Final & Iris (par value \$1.00) 400 Shares of Common Stock	<u>400.00</u>	<u>2,000.00</u>
Total Bequest Funds	<u>\$ 439.00</u>	<u>\$ 2,094.25</u>

DEPOSIT ON LEASE:

John H. Partridge, Lessee Marshall Square Property 50 Shares Pacific Tel. & Tel. Co. Common Stock	<u>\$ 5,000.00</u>	<u>\$ 5,000.00</u>
Total (Stock)	<u>\$ 5,439.00</u>	<u>\$ 7,094.25</u>

In addition to the above, Exhibit A-3 reflects other miscellaneous assets, papers, etc., of no book value, held by the Treasurer for safekeeping.

COLLATERAL SECURITIES \$101,706,000.00 PAR VALUE BONDS

Collateral Securities, with unmatured interest coupons attached, on hand in the Treasurer's vault, June 30, 1955, were examined. The total par value of \$101,706,000.00 was in agreement with the Treasurer's Security Register and bank ledger accounts. The securities consisted of Federal, State, or other Government Bonds of a type required by Government Code Section 53651; and approved by the Treasurer and City Attorney, in accordance with Government Code Section 53655.

The depositing banks certified direct to the Controller that the collateral securities, par value \$101,706,000.00, had a market value of \$100,639,040.63 as at June 30, 1955, to secure deposits of \$81,251,540.29 as at that date, as detailed in Exhibit "A-1".

Government Code Section 53657 reads:

"The market value of the securities securing active or inactive deposits shall be at least 10 percent in excess of the amount of the deposit secured by them but the amount of the deposit shall not exceed the face value of the securities".

## COLLATERAL SECURITIES (Continued)

Each balance comprising the \$81,251,540.29 on deposit was less than the face value (par) of the related collateral; and the market value of said collateral exceeded the amount on deposit by at least 10%, except two Bank of America accounts as follows:

- 1- General Fund-Active Account No. 199, showing market value of collateral of \$14,723,660.00 which is 9.36% in excess of the \$13,463,693.89 on deposit.
- 2- California County Fair-Active Account No. 313, showing market value of collateral of \$477,029.00 which is 8.58% of the \$439,324.18 on deposit.

The Bank of America's collateral had a market value of \$42,405,323.00, which is 19.41% of the consolidated deposits of \$35,512,562.12, as at June 30, 1955. Said collateral included \$462,134.00 deposited to cover State Highway Active Account No. 285, which account was closed June 13, 1955. The collateral was not withdrawn but held for future deposit.

## AUTHORIZED CITY AND COUNTY BONDS (UNISSUED)

Unsold (Unissued) City and County Bonds at June 30, 1955 amounted to \$51,235,000.00, which represent the remainder from issues totaling \$140,715,000.00 authorized by the electorate in amounts and on dates indicated:

	Total Authorized	Sold		Unsold June 30,1955
		Prior to 1954-1955	During 1954-1955	
<u>Authorized Nov. 4, 1947</u>				
Street Improvement	\$ 22,850,000	\$ 15,900,000		\$ 6,950,000
Recreation Bond	12,000,000	8,230,000	\$ 1,100,000	2,670,000
Off-Street Parking	5,000,000	1,000,000		4,000,000
<u>Authorized June 1, 1948</u>				
Sewage Treatment	15,000,000	13,550,000		1,450,000
<u>Authorized Nov. 2, 1948</u>				
Schools	48,890,000	43,900,000	4,000,000	990,000
<u>Authorized Nov. 4, 1952</u>				
Fire House	4,750,000		1,800,000	2,950,000
<u>Authorized June 8, 1954</u>				
Sewer	12,645,000			12,645,000
<u>Authorized Nov. 2, 1954</u>				
Laguna Honda Home	5,475,000			5,475,000
Exhibition Hall	3,275,000			3,275,000
San Francisco Hospital	5,830,000			5,830,000
Recreation Center Bond	5,000,000			5,000,000
Total	<u>\$140,715,000</u>	<u>\$82,580,000</u>	<u>\$6,900,000</u>	<u>\$51,235,000</u>

AUTHORIZED CITY AND COUNTY BONDS (UNISSUED) (Continued)

There were no printed unsold bonds on hand. The amount of \$51,235,000.00 was confirmed against the Controller's records. It is the practice of the Treasurer to order the printing of the bonds only when a sale has been made by the Board of Supervisors. No evidence was found that the Treasurer deviated from his usual practice in respect to the above issues.

FISCAL AGENT - NEW YORK

Ordinance No. 1184, approved May 20, 1941, designated the National City Bank of New York as the Fiscal Agent of the City and County of San Francisco, for the purpose of providing payment in the City of New York, of principal and interest due on bonds issued by the City and County of San Francisco, and provides rates of compensation of said fiscal agent.

Transactions reported by the Fiscal Agent during the fiscal year ended June 30, 1955, were reviewed. Bonds and coupons paid and cancelled were verified in detail against the Controller's records and confirmed direct to this office by the National City Bank of New York.

Compensation paid the Fiscal Agent in quarterly installments during the fiscal year amounted to \$11,616.92, computed as follows:

	Par Value Paid and Cancelled	Compensation	
		Authorized Rates	Earned for 1954-1955
Bonds	\$ 7,710,000.00	1/20 of 1%	\$ 3,855.00
Coupons (194,048)	2,514,100.00	4¢ Each	7,761.92
Total	<u>\$10,224,100.00</u>		<u>\$11,616.92 (1)</u>

(1) Includes \$1,544.52, for the last quarter, which was paid August 8, 1955, by Controller's Warrant 6263-1.

UNITED STATES SAVINGS BONDS

The purchase of United States Savings Bonds by City and County Employees under the payroll allotment plan was authorized by the Board of Supervisors by Resolution No. 2666, adopted June 12, 1942. In addition, bonds were purchased by employees upon the receipt of the full bond purchase price, as authorized by Resolution No. 3786, adopted January 17, 1944.

The total issue value of bonds purchased by the Treasurer for City and County Employees during the fiscal year 1954-1955 amounted to \$610,050.00, as compared to the fiscal year 1953-1954 of \$604,314.50. Receipts on file evidenced that all bonds purchased during the fiscal year were delivered to authorized departmental representatives for delivery to employees.

Cash on hand June 30, 1955, for the purchase of bonds for future delivery, as shown by the Treasurer's records, amounted to \$27,314.35, which was in agreement with the balance in the Controller's Private Trust General Ledger Account "War Bonds" as shown on Exhibit "D-2". Reconciliation with related appropriation account balance is made monthly by the Controller's Division of Accounts and Reports.



## REVENUES AND EXPENDITURES

Revenues derived through the operation of the Treasurer's office, exceed expenditures and encumbrances by \$461,142.16, as compared with \$534,056.95 for the prior fiscal year, summarized as follows:

<u>Revenues</u>	<u>1954-1955</u>	<u>1953-1954</u>
Interest Earned on Inactive Bank Deposits	\$541,647.38	\$615,018.93
Commission on Inheritance Tax Collections	37,709.59	31,211.21
Duplicate "Inheritance Tax Receipt Fees", etc.	99.00	86.00
Conscience Money	831.00	130.00
	<u>580,286.97</u>	<u>646,446.14</u>
Less: Expenditures and Encumbrances (Per Controller's Appropriation Accounts)	<u>119,144.81</u>	<u>112,389.19</u>
Revenues in excess of expenditures and encumbrances	<u>\$461,142.16</u>	<u>\$534,056.95</u>

A detailed five year comparative statement of revenues and expenditures and encumbrances is reflected on Exhibit B.

Comments relative to items appearing above are as follows:

### Interest Earned on Inactive Bank Deposits \$541,647.38

Interest earned in the above amount during the fiscal year, as recorded by the Controller, was in agreement with deposits of interest as recorded by the Treasurer; computed at rates provided by agreements with depositaries on daily balances on deposit, and paid quarterly, in accordance with Government Code Section 54645, summarized as follows:

<u>Rates of Interest</u>	<u>Deposits Callable On:</u>	<u>1954-1955</u>	<u>1953-1954</u>
1%	30 days' notice, except Bank of Canton, requiring 90 days' notice	\$310,979.55	\$346,268.84
1 $\frac{1}{4}$ %	90 days' notice, except Canadian Bank of Commerce, requiring 30 days' notice	198,535.98	8,125.02
1 $\frac{1}{2}$ %	90 days' notice	<u>32,131.85</u>	<u>260,625.07</u>
	Totals	<u>\$541,647.38</u>	<u>\$615,018.93</u>

Note: On May 11, 1954, the Treasurer was given 90 days' notice by the Anglo California National Bank and the Bank of America that the Federal Reserve Bank has ordered the reduction of interest on inactive deposits from 1 $\frac{1}{2}$ % to 1 $\frac{1}{4}$ %, effective August 11, 1954.

The distribution of interest earned by funds, compares as follows:

<u>Funds Credited</u>	<u>1954-1955 Budget Estimates</u>	<u>Distribution of Interest Earned</u>	
		<u>1954-1955</u>	<u>1953-1954</u>
General Fund	\$550,000.00	\$506,123.94	\$574,522.88
Municipal Railway Operating Fund	20,000.00	18,417.25	20,977.25
Total Unapportioned Interest	570,000.00	524,541.19	595,500.13
Water Operating	15,000.00	17,106.19	18,750.04
State - County Fair	-	-	768.76
Totals	<u>\$585,000.00</u>	<u>\$541,647.38</u>	<u>\$615,018.93</u>

The \$17,106.19 credited to the Water Operating Fund was earned on two inactive bank accounts used exclusively for Water Department funds. The \$18,417.25 credited to the Municipal Railway Operating Fund was distributed and prorated quarterly out of the total unapportioned interest of \$524,541.19, on the basis of Treasurer's daily balance in that fund.

#### COMMISSIONS ON INHERITANCE TAX COLLECTIONS \$37,709.59

Inheritance tax commissions of \$37,709.59, for 12 months ended May 31, 1955, and settlements with the State for the same period, are summarized from the Treasurer's records as follows:

Total Collections		\$3,724,700.61
Less Disbursements:		
Payments to the State	\$3,482,952.22	
Refunds	187,421.30	
Appraiser's fees	<u>16,617.50</u>	
		<u>3,686,991.02</u>
Commissions Earned by Treasurer		<u>\$ 37,709.59</u>

Accounts, maintained by the Treasurer for Inheritance Tax purposes, are recorded on State Controller's prenumbered forms, subject to settlement with the State every two months, and an audit by representatives of the State Controller's office. Such audit was not duplicated in this assignment.

The collections of \$3,724,700.61 were verified against deposits recorded by the Controller's Revenue Division. Payments to the State, refunds, appraiser's fees, and commissions earned were reconciled with expenditures reflected by Controller's appropriation expenditures.

Commissions earned by the Treasurer in the total amount of \$37,709.59, for the fiscal year 1954-1955, was confirmed direct to this office by the State Controller. The amount is within the \$40,000.00 maximum commissions that may be retained by a Treasurer of a county of the second class, as provided in Section 14797 of the Revenue and Taxation Code.

#### DUPLICATE INHERITANCE TAX RECEIPT FEES AND SAFE DEPOSIT BOX EXAMINATION FEES \$99.00

A fifty cent fee for a "Duplicate Tax Receipt" and a one dollar fee for "Listing Contents of a Safe Deposit Box" is charged by the Treasurer in accordance with Section 14144 and 14346 of the Revenue and Taxation Code. The collection and deposit of these fees is subject to the Controller's prescribed revenue procedure and is currently audited by the Controller's General Office. The deposit of the fees to the General Fund was verified against the Controller's records.

CONSCIENCE MONEY \$831.00

The \$831.00 represents remittances received by the offices named, from unidentified sources and deposited with the Treasurer as conscience money:

City Attorney's Office	\$ 400.00
Tax Collector	200.00
Controller's Office	120.00
Treasurer	<u>111.00</u>
Total	<u>\$ 831.00</u>

EXPENDITURES AND ENCUMBRANCES - \$119,144.81

Expenditures (\$115,608.44) and Encumbrances (\$3,536.37) from appropriations to the Treasurer's Office for 1954-1955, totaling \$119,144.81 compared with budget appropriations, as modified, \$120,305.90, were summarized from the Controller's records as follows:

<u>By Treasurer:</u>	<u>Appropriations as Modified</u>	<u>Expenditures and Encumbrances</u>
Permanent Salaries	\$ 101,565.90	\$ 101,425.90
Overtime	775.00	293.24
Contractual Services	14,940.00	14,707.28
Use of Employees' Cars	400.00	347.42
Materials and Supplies	1,750.00	1,535.49
Equipment	550.00	536.94
 <u>By Purchaser:</u>		
Telephone & Telegraph	200.00	178.89
Stationery (Withdrawn from stores)	<u>125.00</u>	<u>119.65</u>
Totals	<u>\$120,305.90</u>	<u>\$119,144.81</u>

Expenditures and Encumbrances are currently audited by the Controller's General Office, and such detailed audit was not duplicated in this assignment. Exhibit "B" reflects a comparison of revenues and appropriation expenditures and encumbrances for the fiscal year 1954-1955 and four prior fiscal years.

SURETY BONDS AND INSURANCE

Detail of Surety Bonds and Insurance in force during the fiscal year is reflected in Exhibit "E" attached hereto.

COMMENT

The records maintained in the Treasurer's office appear to be in order and systematically arranged to furnish all data required for this examination.

The courtesy and cooperation extended by the Treasurer and his staff during the course of the examination is gratefully acknowledged.

Respectfully submitted,

GENERAL AUDIT DIVISION

*Martin W. Judnick*

Martin W. Judnick

B-14 Senior Accountant (Field Audits)

Notes:

Exhibits A-1, A-2, A-3, D and E reflect detail of transactions presented in summary forms in the body of the above report. They have not been reproduced in this publication.

SUMMARY OF CASH, SECURITIES, AND OTHER DEPOSITS

	<u>JUNE 30th</u>	
	<u>1955</u>	<u>1954</u>
<u>CASH AND CASH ITEMS</u>		
<u>Cash and Cash Items on Hand:</u>		
Coin and Currency	\$ 952,938.94	\$ 808,681.83
Checks on Hand for Deposit	620,141.15	377,478.77
Due from Clearing House	828.95	37.00
Special Deposit-Health Service System		824.51
Total Cash	<u>1,573,909.04</u>	<u>1,187,022.11</u>
<u>Cash on Deposit in Banks:</u>		
Active Accounts	33,316,708.34	30,355,764.88
Inactive Deposits	<u>47,575,000.00</u>	<u>52,575,000.00</u>
Total Bank Deposits	<u>80,891,708.34</u>	<u>82,930,764.88</u>
<u>Cash Received after June 30th and Applied to Fiscal Year Under Review</u>	<u>767,516.31</u>	<u>659,524.77</u>
<u>United States Bonds (Face Value)</u>	<u>102,900.00</u>	<u>69,300.00</u>
<u>Total Cash and Cash Items (Exhibit "C" and "D-2")</u>	<u>\$83,336,033.69</u>	<u>\$84,846,611.76</u>
<u>SECURITIES</u>		
<u>Bonds (Face Value):</u>		
Collateral from Banks (Exhibit "A-1")	\$101,706,000.00	\$107,398,000.00
Employees' Retirement Fund	158,319,000.00	142,413,987.50
Bequest Funds and Miscellaneous Deposits	298,975.00	348,950.00
Trust Funds	15,000.00	14,000.00
Deposits on Leases	<u>108,000.00</u>	<u>106,500.00</u>
Total Securities (Bonds)	<u>\$260,446,975.00</u>	<u>\$250,281,437.50</u>
<u>Other Deposits (Corporate Stock):</u>		
Deposit on Lease	\$ 5,000.00	\$ 5,000.00
Bequest Fund	<u>439.00</u>	<u>39.00</u>
Total Other Deposits	<u>\$ 5,439.00</u>	<u>\$ 5,039.00</u>
<u>Total Securities</u>	<u>\$260,452,414.00</u>	<u>\$250,286,476.50</u>
<u>TREASURER'S ACCOUNTABILITY FOR CASH, SECURITIES, AND OTHER DEPOSITS</u>	<u>\$343,788,447.69</u>	<u>\$335,133,088.26</u>

## COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND ENCUMBRANCES

Fiscal Year Ended June 30th

REVENUES DERIVED THROUGH THE OPERATION OF THE TREASURER'S OFFICE

Interest Earned on the Deposit of Public Funds  
 Commissions on Inheritance Tax Collections  
 Duplicate "Inheritance Tax Receipt" Fees  
 Conscience Money

	1955	1954	1953	1952	1951
	\$ 541,647.38	\$ 615,016.93	\$ 564,396.07	\$ 564,932.81	\$ 522,315.22
	37,709.59	31,211.21	31,733.98	39,202.02	28,812.19
	99.00	86.00	111.00	89.50	85.00
	831.00	130.00	237.11	534.00	15.00
<b>Total Revenues</b>	<b>\$ 580,286.97</b>	<b>\$ 646,446.14</b>	<b>\$ 596,480.16</b>	<b>\$ 604,758.33</b>	<b>\$ 551,277.71</b>

EXPENDITURES AND ENCUMBRANCES

Permanent Salaries  
 Leave and Disbursements  
 Contractual Services  
 Contractual Services - New York  
 Material and Supplies  
 Equipment

	\$ 101,425.90	\$ 96,285.00	\$ 95,683.52	\$ 89,986.30	\$ 79,974.32
	237.24	167.31	-	776.54	772.71
	3,744.49	2,750.87	2,755.38	1,784.59	2,179.73
	11,616.92 (1)	11,750.00	13,395.00	11,700.00	14,700.00
	1,695.14	1,667.21	1,881.12	1,985.15	1,704.16
	536.94	-	465.91	1,324.91	618.17
<b>Total Disbursements</b>	<b>\$ 119,144.81</b>	<b>\$ 112,389.19</b>	<b>\$ 114,280.00</b>	<b>\$ 116,755.19</b>	<b>\$ 100,982.29</b>

REVENUES IN EXCESS OF EXPENDITURES AND ENCUMBRANCES

	\$ 461,142.16	\$ 534,056.95	\$ 482,200.16	\$ 487,023.14	\$ 450,879.42
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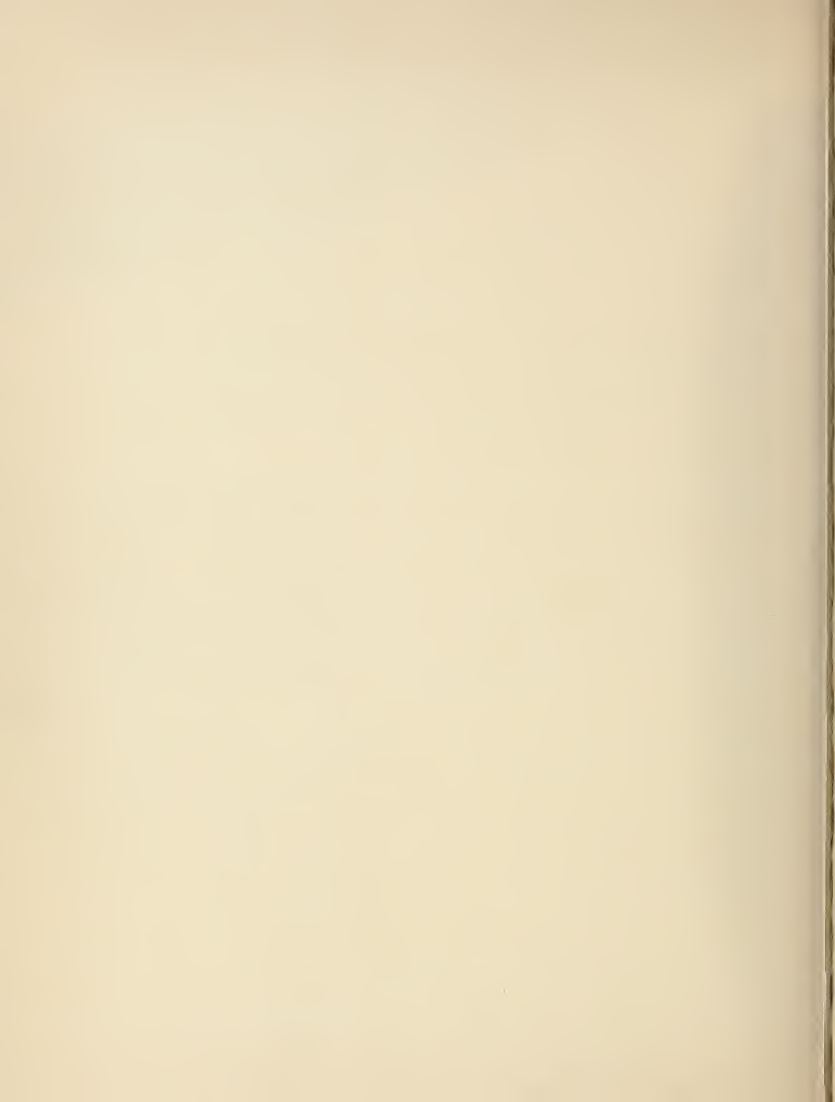
- (1) Includes \$1,544.52 - 14th Installment  
 Encumbered and paid August 8, 1955  
 By Warrant 6265-1

## COMPARATIVE SUMMARY OF CASH TRANSACTIONS

	<u>Fiscal Year Ended June 30th</u>	
	<u>1955</u>	<u>1954</u>
<u>TOTAL FUNDS</u>		
Cash Balance - Beginning of Year	\$ 84,846,611.76	\$ 92,839,594.19
Receipts	237,110,692.49	228,599,843.31
Journal Transfers (Contra)	237,260,514.39	226,817,198.48
Total Receipts	474,371,206.88	455,417,041.79
Total Balance and Receipts	559,217,818.64	548,256,635.98
 <u>DISBURSEMENTS</u>		
Cash Disbursements	238,621,270.56	236,592,825.74
Journal Transfers	237,260,514.39	226,817,198.48
Total Disbursements	475,881,784.95	463,410,024.22
 CASH BALANCE - END OF YEAR		
EXHIBITS "A" & "D"	\$ 83,336,033.69	\$ 84,846,611.76

COMPARATIVE SUMMARY OF CASH TRANSACTIONS

	<u>Fiscal Year Ended June 30th</u>	
	<u>1955</u>	<u>1954</u>
<u>CURRENT FUNDS</u>		
Cash Balance - Beginning of Year	\$ 45,627,318.80	\$ 44,846,415.80
Cash Receipts	190,477,722.91	177,409,352.11
Journal Transfers - Receipts	213,599,956.26	205,365,210.07
Total Receipts	449,704,997.97	427,620,977.98
Cash Disbursements	170,421,580.25	165,574,406.55
Journal Transfers - Disbursements	229,728,277.04	216,419,252.63
Total Disbursements	400,149,857.29	381,993,659.18
CASH BALANCE - END OF YEAR (EXHIBIT "D")	49,555,140.68	45,627,318.80
<u>CAPITAL FUNDS</u>		
Cash Balance - Beginning of Year	32,252,270.46	41,218,960.03
Cash Receipts	8,286,221.46	15,216,005.10
Journal Transfers - Receipts	5,576,405.84	4,766,206.06
Total Receipts	46,114,897.76	61,201,171.19
Cash Disbursements	15,863,641.41	20,318,991.26
Journal Transfers - Disbursements	5,062,653.75	8,629,909.47
Total Disbursements	20,926,295.16	28,948,900.73
CASH BALANCE - END OF YEAR (EXHIBIT "D-1")	25,188,602.60	32,252,270.46
<u>SPECIAL AND TRUST FUNDS</u>		
Cash Balance - Beginning of Year	6,967,022.50	\$ 6,774,218.36
Cash Receipts	38,346,748.12	35,974,486.10
Journal Transfers - Receipts	13,084,152.29	16,685,782.35
Total Receipts	63,397,922.91	59,434,486.81
Cash Disbursements	52,336,048.90	50,699,427.93
Journal Transfers - Disbursements	2,469,583.60	1,768,036.38
Total Disbursements	54,805,632.50	52,467,464.31
CASH BALANCE - END OF YEAR (EXHIBIT "D-2")	8,592,290.41	6,967,022.50
TOTAL CASH ON HAND (EXHIBIT "A" and "D")	\$ 83,336,033.69	\$ 84,846,611.76





# Airport Department

SAN FRANCISCO INTERNATIONAL AIRPORT

SAN MATEO COUNTY



REPORT ON EXAMINATION OF ACCOUNTS

For the Fiscal Year Ended June 30, 1955

CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

November 23, 1955

Mr. Harry D. Ross  
Controller  
City and County of San Francisco

AIRPORT DEPARTMENT

San Francisco International Airport - San Mateo County

Examination of Accounts

For the Year Ended June 30, 1955

Dear Sir:

Under your direction and pursuant to the provisions of Charter Section 66, we have examined the financial statements listed below of the San Francisco International Airport, San Mateo County. Mr. David F. Supple, Consultant and Statistician to the Grand Jury, participated.

- Exhibit A - Balance Sheet, June 30, 1955
- Exhibit B - Statement of Surplus for the year ended June 30, 1955
- Exhibit C - Statement of Income and Expense for the years ended June 30, 1955 and June 30, 1954
- Schedule C-1 - Miscellaneous Additions to and Deductions from Income for the year ended June 30, 1955
- Exhibit D - Comparative report of Aircraft Movements and Traffic, including Domestic and International Activities, for the years ended June 30, 1955 and June 30, 1954

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

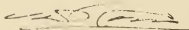
In our opinion, the accompanying financial statements present fairly the financial position of the San Francisco International Airport at June 30, 1955, and the results of its operations for the fiscal year then ended, on a basis consistent with that of the preceding year.

Respectfully submitted,



Nathan B. Cooper  
Supervisor, Utility Audits

Approved:



HARRY D. ROSS  
CONTROLLER

## BALANCE SHEET

Fixed Capital in Service (net) - \$42,224,490.87

The table here presented is a condensed summary of the changes during the year in the accounts for fixed capital in service and for accrued depreciation applicable thereto.

	In Service	Accrued Depreciation	Net Book Value
Balance, June 30, 1954	\$36,609,047.41	\$6,247,018.19	\$30,362,029.22
Increase:			
Additions and betterments - 1954-1955	11,140,908.99	730,489.68 (1)	10,410,419.31
Prior year adjustments	<u>1,453,072.10</u> (2)	<u>54.77</u> (3)	<u>1,453,017.33</u>
Total	\$49,203,028.50	\$6,977,562.64	\$42,225,465.86
Decrease:			
Sale of easement	435.14		435.14
Retirements	<u>4,383.85</u>	<u>3,844.00</u>	<u>539.85</u>
Balance, June 30, 1955	<u>\$49,198,209.51</u>	<u>\$6,973,718.64</u>	<u>\$42,224,490.87</u>

- (1) Provision for the year charged to operating expenses.
- (2) Consists of \$1,454,825.37, 1953-54 bond fund additions which were not capitalized until December 1954, and two minor adjustments to land and equipment.
- (3) Additional provision for 1953-54 charged to other expenses.

Additions and betterments - 1954-55, \$11,140,908.99

Additions to fixed capital in service were financed through the 1945 and 1949 Airport bond funds, the Federal airport project fund, the operating fund-reconstruction and replacement-and the special aviation fund.

Landing area		\$ 723,871.66
Utilities, roads and parking areas		696,212.33
Buildings		9,611,947.46
Equipment - Bond funds	\$86,926.61	
- Special aviation fund	14,190.63	
- Operating-reconstruction and replacement fund	<u>7,760.10</u>	<u>108,877.34</u>
Total additions and betterments 1954-55		<u>\$11,140,908.99</u>

Prior year adjustments, \$1,453,072.10

These adjustments consist of additions and betterments financed by the 1945 and 1949 Airport bond funds and the Federal airport project fund which should have been capitalized during the fiscal year 1953-54, and of adjustments to land and equipment as indicated below:

Bond funds and Federal airport project  
additions and betterments 1953-54:

Land	\$ 288,985.71
Landing area	315,861.01
Utilities, roads and parking areas	597,788.99
Buildings	<u>252,189.66</u>
Total	<u>\$ 1,454,825.37</u>
Adjustments:	
Land (Bond fund addition)	\$ 1,750.00 Cr.
Equipment (Operating fund addition)	<u>3.27 Cr.</u>
Total	<u>\$ 1,753.27 Cr.</u>
Total prior year adjustments	<u>\$ 1,453,072.10</u>
<u>Sale of easement, \$435.14</u>	

An easement over a fifty foot wide strip of land was sold to the Pacific Gas and Electric Company for a 60KV power line.

Retirements, \$4,383.85

The only retirements consisted of two automobiles traded in on new models and the replacement of two engines on fire crash trucks.

Fixed Capital Under Construction - \$58,515.38

The projects classified as fixed capital under construction are summarized as follows:

Balance, July 1, 1954	\$11,718,491.73
Additions:	
1945 Airport bond fund	\$132,653.63
1949 Airport bond fund	555,885.19
Federal airport project	<u>223,518.46</u>
	<u>912,057.28</u>
Total	\$12,630,549.01
Transferred to Fixed Capital In Service	<u>12,572,033.63</u>
Balance, June 30, 1955	<u>\$ 58,515.38</u>

All of the transactions in this account were financed by the 1945 and 1949 Airport bond funds and the Federal airport project except that charges for interest during construction, which are in relation to the 1945 and 1949 Airport bond funds, are allocations of the interest budgeted in the Airport Operating Fund.

The significant construction features in progress were the

- Sewage treatment plant and related work.
- Improvements to power supply for North Field.
- Ventilation of concourses, service building and terminal building.
- Improvements to water supply for terminal building and concourses.

Cash on Deposit with Treasurer - \$2,354,024.85

Cash on deposit with the Treasurer was confirmed by reference to the report on examination of accounts of the Treasurer's Office for the fiscal year ended June 30, 1955, by the Controller's Division of General Audits. The composition of the cash balance was:

Operating fund		\$ 798,117.31
Federal airport project fund		255,000.00
Special aviation fund		28,542.31
1945 Airport bond fund		755,835.01
1949 Airport bond fund		515,292.72
1945 Airport bond interest fund		856.25
1-1/4% Series C	\$531.25	
1-1/2% Series C	75.00	
1 % Series E	<u>250.00</u>	
1949 Airport bond interest fund		381.25
1-1/4% Series A	\$ 62.50	
1-3/4% Series B	131.25	
1-1/2% Series D	<u>187.50</u>	
Total		<u><u>\$2,354,024.85</u></u>

Cash Revolving Fund - \$2,500.00

On May 26, 1955, we reported the verification of the principal of the fund as at April 28, 1955.

Accounts Receivable, Estimated Federal Grants	\$228,200.00	
Less: Reserve for Estimated Federal Grants	<u>228,200.00</u>	<u>-0-</u>

The Mayor and Public Utilities Commission have accepted offers by the Federal government, acting through the Administrator of Civil Aeronautics, to grant funds to the City and County of San Francisco for development of the San Francisco International Airport in the amount of \$2,160,678.00 of which \$1,932,478.00 had been received at June 30, 1955. The balance has been reserved until such time as federal grant requisitions are filed with the government for payments as the airport development progresses.

Accounts Receivable, Revenues Accrued and Other Receivables (net) - \$585,400.43

Requests for confirmation were mailed to various debtors with respect to balances included in the above sum; replies received were satisfactory. We did not request confirmation of \$337,515.89 included as accounts receivable because the liability for the payment thereof was disputed by the debtors. All invoices that comprise this sum have been referred to the City Attorney.

Trans World Airlines	\$ 161,179.99
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U. S. District Court Judgment, Civil No. 30326, July 2, 1954. Appealed by T.W.A., August 2, 1954, U. S. Court of Appeals for 9th Circuit, Case No. 14323	\$95,942.64
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Take-off charges, January 1951 to February 28, 1954	\$86,342.64
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Professional fire protection service 1951-54	<u>9,600.00</u>
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Take-off charges - difference  
between effective rate and the  
amount paid March 1, 1954 to  
June 30, 1955

\$ 62,837.35

Professional fire protection  
service 1955

2,400.00

Western Airlines

\$ 144,220.87

Take-off charges - difference  
between rates effective January  
1, 1951, vs. prior rates through  
May 1955

\$127,572.32

Under payments for flight operation  
and public address system charges  
September 1, 1946 - March 31, 1949

4,648.55

Professional fire protection service  
1951-55

12,000.00

Subject to litigation, San Francisco  
Superior Court Action No. 414510.  
Case still pending. In August 1955,  
Western paid \$142,602.52, of disputed  
take-off, public address and fire pro-  
tection service charges through June  
30, 1955, under protest. In the afore-  
mentioned action it has been stipulated  
that the City and County of San Fran-  
cisco will not attempt to impose any  
charges for the common use facilities  
prior to January 1, 1951.

United Air Lines

18,312.13

Professional fire protection service 1951-55 \$ 12,000.00

Subject to litigation, U. S. District  
Court, Case No. 33154. If the judg-  
ment on this "Common Use Facilities  
Charges" case is favorable to the  
Airport, billings of take-off charges  
to the United Air Lines will have to  
be recomputed for the period subse-  
quent to January 1, 1951. At present  
the possible additional revenue is  
unknown.

Rental of ticket counter space

6,312.13

No action taken. Airport Depart-  
ment's letter to City Attorney,  
October 3, 1955, seeks clarifi-  
cation of same.

Professional fire protection service 1951-55

No suit filed pending outcome of  
Trans World Airline's appeal and  
United Air Line's litigation

San Mateo County

1,802.90

Portion of unrefunded aircraft fuel  
taxes paid to San Mateo County by  
State of California. No suit filed.

Total

\$ 337,515.89

Changes in the reserve for doubtful accounts during the year were as follows:

Balance, June 30, 1954

\$ 27,178.87

Provision for doubtful accounts

4,800.00

Total

\$ 31,978.87

Less accounts charged off as uncollectible

1,049.35

Balance, June 30, 1955

\$ 30,929.52

Interfund Accounts - \$18,444.05

The amounts due from other municipal departments were confirmed to us by certified public accountants engaged in the examination of the records of the Controller's office.

Materials and Supplies - \$8,876.75

Physical inventory of materials and supplies was taken by Airport employees as at May 31, 1955. We tested the quantities, the mathematical accuracy and the pricing of the inventory.

Commitments - \$432,661.36

Commitments represent contracts, purchase orders, work orders and other evidence of encumbrance for which related goods and services have not been received at June 30, 1955. The contra liability is shown under accounts payable and interfund accounts - commitments.

Other Deferred Items - \$38,577.92

Consists of Public Utilities Commission authorization of \$29,943.89, reduction of rentals to Airport lessees for improvements made to leased areas. Airport will capitalize same upon receipt of information relative to the nature and extent of improvements actually made.

The balance of other deferred items consists primarily of prepaid insurance which was verified by reference to insurance contracts and computation of unexpired premiums at June 30, 1955.



Bonded Debt - \$13,255,000.00

Bonded debt was verified against Controller's records. An account of all Airport bond issues is summarized below:

Issue	Authorized	Authorized and Sold	Redeemed		Total Bonded Debt
			Prior Years	1954-55	
1933	\$ 260,000	\$ 260,000	\$ 260,000		
1938	2,850,000	2,850,000	2,850,000		
1945	20,000,000	20,000,000	12,659,000	\$1,875,000	\$ 5,466,000
1949	10,000,000	10,000,000	1,957,000	254,000	7,789,000
Total	<u>\$33,110,000</u>	<u>\$33,110,000</u>	<u>\$17,726,000</u>	<u>\$2,129,000</u>	<u>\$13,255,000</u>

The outstanding bonds mature serially as follows:

Fiscal Year	Issue		Total
	1945	1949	
1955-56	\$1,875,000	\$ 254,000	\$ 2,129,000
1956-57	2,125,000	254,000	2,379,000
1957-58	174,000	1,534,000	1,708,000
1958-59	174,000	1,534,000	1,708,000
1959-60	174,000	1,534,000	1,708,000
1960-61	174,000	634,000	808,000
1961-62	174,000	409,000	583,000
1962-63	173,000	409,000	582,000
1963-64	173,000	409,000	582,000
1964-65	173,000	409,000	582,000
1965-66	77,000	409,000	486,000
Total	<u>\$5,466,000</u>	<u>\$7,789,000</u>	<u>\$13,255,000</u>

Bond Interest - \$40,387.93

Matured coupons not presented for payment were verified by reference to Controller's records. Accrued interest was verified by computation.

Accounts Payable - \$435,040.17

Accounts payable have been verified for prior encumbrances in accordance with the provisions of Charter Section 86.

Interfund Accounts - \$622,720.64

The amounts due to other municipal departments were confirmed to us by certified public accountants engaged in the examination of the records of the Controller's office.

Deferred Credits - \$371,431.59

Deferred credits represent primarily disputed accounts in amount of \$337,515.89, which is discussed under Accounts Receivable, Revenues Accrued and Other Receivables.



The balance of the deferred credits consist mainly of rentals and services paid or billed in advance, unbilled interdepartmental work orders (estimated expenditures booked in 1954-55), requests for direct payment by the Controller, cash collections in connection with petroleum agency trust from the last settlement date in June 1955 to June 30, 1955, damage claim for repairs to Airport wire fence and telephone Federal excise taxes.

Surplus - \$30,998,911.33

The summary of the changes in this account for the fiscal year 1954-1955 shown in Exhibit B, is in such detail as to require no further comment.

### Contingent Liability

A review of the Controller's claim register and supplemental data indicated the following claims filed against the Airport as unsettled at the date of this report:

<u>Date of Accident</u>	<u>Claimant</u>		<u>Amount Claimed</u>	<u>Date Filed with Controller</u>	<u>Type of Claim</u>
12-19-52	Vernie Erickson	(1)	\$25,000.00	2-11-53	Personal Injury
6-1-53	Robert A. Lenihan	(2)	10,000.00	7-1-53	Personal Injury
5-20-54	P.Dardani and P. Manis	(3)	375.14	6-28-54	Property Damage
9-6-54	Earl Topovich	(4)	"To be determined at later date"	11-1-54	Personal Injury

- (1) Filed suit (Superior Court case 427286). Case still open.
- (2) Filed suit (Superior Court case 434700). Case still open.
- (3) Referred to insurance carrier.
- (4) Claim denied by City Attorney. No suit filed within the required one year period.

Insurance carrier has been notified of the above cited claims.

Inquiry at the City Attorney's office did not disclose any record of unsettled claims against the Airport other than indicated above.

Following is disposition of claims which were included as unsettled in our report for the year ended June 30, 1954:

<u>Date of Accident</u>	<u>Claimant</u>	<u>Amount Claimed</u>	<u>Disposition</u>
6-11-52	Pan American Airways	\$ 528.64	Payment denied by City Attorney.
1-17-54	Mygrant Glass Co.	3,316.55	Settled for \$1,250.00, City paid \$200.00 under deductible provision of U.S. Aviation Underwriters, Inc. Hangar Keepers Liability policy SH1-1160. Insurance carrier paid \$1,050.00.
10-8-53	American Airlines	197.62	Insurance carrier paid \$197.62 in settlement.

# OPERATIONS

A condensed comparative statement of net profit or loss for the years ended June 30, 1955 and June 30, 1954, is set forth below:

	Fiscal Years Ended			
	1955		1954	
	Amount	Percent of Revenue	Amount	Percent of Revenue
Operating revenues:				
Air carrier flight operations	\$ 444,124.65		\$ 422,577.78	
Rentals	657,339.69		212,851.71	
Bulk petroleum deliveries	60,154.67		50,772.05	
Services, sales, commissions, permits	967,881.99		478,177.06	
<b>Total</b>	<b>\$2,129,501.00</b>	<b>100.0</b>	<b>\$1,164,378.60</b>	<b>100.0</b>
Operating expenses:				
Salaries and wages	\$ 623,006.26	29.3	\$ 410,327.38	35.2
Other operating costs	366,144.84	17.2	174,479.55	15.0
Maintenance and repairs	55,505.69	2.6	35,775.68	3.1
Fixed charges, including depreciation, note (1)	848,830.75	39.8	800,925.39	68.8
<b>Total</b>	<b>\$1,893,487.54</b>	<b>88.9</b>	<b>\$1,421,508.00</b>	<b>122.1</b>
Operating profit (loss) note (1)	\$236,013.46	11.1	\$(257,129.40)	-22.1
Bond interest	\$138,586.88	6.5	\$ 99,108.12	8.5
Other income and deductions therefrom	\$ 13,837.74	.6	\$ 125,548.20	-10.8
<b>Net profit (loss) note (1)</b>	<b>\$111,264.32</b>	<b>5.2</b>	<b>\$(481,785.72)</b>	<b>-41.4</b>

(1) See comments under, "Operating expenses--- Fixed Charges, including depreciation"

## Operating revenues

The increase in operating revenues stems primarily from the increase in rentals and in services, sales, commissions and permits resulting from the opening of the new terminal building, concourses, air mail and cargo building and surrounding areas September 1, 1954.

Revenues from air carrier flight operations and bulk petroleum deliveries also showed small gains due to increased aviation activities.

## Operating expenses

Increases in operating expenses are explained in general as follows:

### Salaries and wages

The increase was primarily occasioned by additional employments to service the new airport facilities. The number of employments increased approximately 70% over the previous fiscal year.

Increases in temporary salaries, overtime and holiday pay with some increases occasioned by the statutory provisions affecting salaries and wages accounted for the balance.

### Other operating costs

The increase in other operating costs is principally due to increased expenses for:

(a) additional fire station and fire fighting personnel to service the new terminal area.

(b) gas and electricity to service the new terminal facilities.

(c) operating materials and supplies caused by demand of the new terminal facilities.

(d) flight festival celebration.

(e) contractual janitorial and window washing services required for the new buildings.

(f) professional and special services occasioned by increase in Utilities Engineering Bureau services.

(g) employee transportation and travel expense due to increased employments and airport activities.

(h) support of the Public Utilities Commission - General Office, and

(i) miscellaneous increases in other costs of operation resulting from the use of the new terminal buildings and increase in airport activities.

### Maintenance and repairs

The increase in maintenance and repairs reflects additional costs of maintaining and repairing the newly expanded airport and consists mainly of:

(a) administration building maintenance

(b) runways maintenance and repairs

(c) other equipment facilities

### Fixed charges, including depreciation

The increase consists chiefly as follows:

(a) increased pension and retirement allowances occasioned by the statutory provisions affecting salaries and wages and the approximately 70% increase in employments.

(b) other insurance increases due primarily to fire damage coverage for the new terminal, service, air mail and cargo, and concourse buildings.

(c) depreciation increases resulting mainly from the 1953-54 fixed capital additions.

It should be noted, however, that it is the Airport's accounting practice to provide no depreciation on an item during the year it is first placed in service and capitalized, and to provide a full year's depreciation during the year in which said item is retired from service. Depreciation on the new buildings alone will approximate \$238,000.00 per year.

Other income and deductions therefrom.

The two main reasons for the increase are the profits from the resale of electric energy, and the reduction in miscellaneous additions and deductions from income.

# EXHIBIT A

## AIRPORT DEPARTMENT SAN FRANCISCO INTERNATIONAL AIRPORT SAN MATEO COUNTY

BALANCE SHEET AT JUNE 30, 1955

### ASSETS

<b>Fixed Capitals:</b>			
In service		\$49,198,209.51	
Less reserve for depreciation		<u>6,973,718.64</u>	
Net book value		\$42,224,490.87	
Under construction		<u>58,515.38</u>	\$42,283,006.25
<b>Cash:</b>			
On deposit with City and County Treasurer		\$ 2,354,024.85	
Revolving fund		<u>2,500.00</u>	2,356,524.85
<b>Accounts Receivable:</b>			
Estimated federal grants	\$228,200.00		
Less: Reserve for estimated federal grants	<u>228,200.00</u>	-0-	
Revenues accrued and other receivables (net)		<u>585,400.48</u>	585,400.48
<b>Interfund Accounts:</b>			
Due from general city and county	\$	10,774.22	
Due from other public service enterprises		<u>7,669.83</u>	18,444.05
<b>Deferred Charges:</b>			
Materials and supplies	\$	8,876.75	
Commitments (contra)		432,661.36	
Other deferred items		<u>38,577.92</u>	<u>480,116.03</u>
Total Assets			<u>\$45,723,491.66</u>

### LIABILITIES AND SURPLUS

<b>Bonded Debt:</b>			
Maturing within year ending June 30, 1956		\$ 2,129,000.00	
Maturing Sept. 1, 1956 through April 1, 1966		<u>11,126,000.00</u>	\$13,255,000.00
<b>Bond Interest:</b>			
Matured coupons not presented for payment	\$	1,237.50	
Accrued, not due		<u>39,150.43</u>	40,387.93
<b>Accounts Payable:</b>			
Outstanding warrants	\$	52,618.35	
General creditors		8,136.08	
Commitments (contra)		<u>374,285.74</u>	435,040.17
<b>Interfund Accounts:</b>			
Due to general city and county	\$	522,246.96	
Due to other public service enterprises		42,098.06	
Commitments (contra)		<u>58,375.62</u>	622,720.64
<b>Deferred Credits</b>			
Total Liabilities			<u>371,431.59</u>
Surplus - Exhibit B			\$14,724,580.33
			<u>30,998,911.33</u>
Total Liabilities and Surplus			<u>\$45,723,491.66</u>

# EXHIBIT B

## AIRPORT DEPARTMENT SAN FRANCISCO INTERNATIONAL AIRPORT SAN MATEO COUNTY

### SURPLUS YEAR ENDED JUNE 30, 1955

Surplus, June 30, 1954, annual report of Controller		\$ 28,988,020.38
Add:		
Contributions:		
Ad valorem tax for debt service	\$ 1,890,856.16	
State of California, special aviation fund	<u>8,790.47</u>	1,899,646.63
Net Profit, fiscal year 1954-55 - Exhibit C		<u>111,264.32</u> (1)
Total		\$ 30,998,931.33
Deduct:		
Prior year adjustments		<u>20.00</u>
Surplus, June 30, 1955		\$ <u><u>30,998,911.33</u></u>

(1) See comments under, "Operating expenses - Fixed charges, including depreciation".

AIRPORT DEPARTMENT  
SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE  
YEARS ENDED JUNE 30, 1955 AND JUNE 30, 1954

OPERATING REVENUES:	<u>June 30, 1955</u>	<u>June 30, 1954</u>
<b>Air Carrier Flight Operations:</b>		
Scheduled	\$ 415,850.79	\$ 398,799.54
Scheduled feeder lines	19,692.24	18,203.23
Non-scheduled	<u>8,581.62</u>	<u>5,575.01</u>
<b>Total Air Carrier Flight Operations</b>	<b>\$ <u>444,124.65</u></b>	<b>\$ <u>422,577.78</u></b>
<b>Rentals:</b>		
Ramp area	\$ 9,360.45	\$ 7,155.81
Aircraft outdoor storage	14,553.00	11,643.00
Airport property		
Unimproved	49,779.51	29,511.63
Paved	38,365.40	45,639.22
Expansion area	2,655.54	8,182.82
Hangars		
Entire hangars	46,888.72	59,499.96
Partial hangars	8,089.46	9,370.10
Passenger terminal building office space	426,840.91	25,349.12
Airmail and cargo building office space	27,697.71	
Other buildings and structures	<u>33,108.99</u>	<u>16,500.05</u>
<b>Total Rentals</b>	<b>\$ <u>657,339.69</u></b>	<b>\$ <u>212,851.71</u></b>
<b>Bulk Petroleum Deliveries:</b>		
Professional fire service	\$ 22,113.33	\$ 20,400.00
Rental of tank farm area	8,543.76	4,728.63
Wharfage charges	28,897.58	24,653.42
Pipe line licenses	<u>600.00</u>	<u>990.00</u>
<b>Total Bulk Petroleum Deliveries</b>	<b>\$ <u>60,154.67</u></b>	<b>\$ <u>50,772.05</u></b>



AIRPORT DEPARTMENT  
SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE  
YEARS ENDED JUNE 30, 1955 AND JUNE 30, 1954

OPERATING REVENUES - Cont'd	<u>June 30, 1955</u>	<u>June 30, 1954</u>
Services, Sales, Commissions and Permits:		
Public address system	\$ 12,906.62	\$ 11,631.82
Restaurant and allied services	203,714.93)	
Newspaper and tobacco counters	34,772.01)	
Restaurant - old terminal	17,304.28)	93,038.52
Taxicab and limousine permits	106,801.38	64,814.73
Parking Lot (includes parking meters)	279,753.71	129,909.55
U-Drive	91,819.31	62,026.77
Telephone commissions	11,488.13	9,599.26
Public service and insurance counter	45,700.00)	
Travel agency, air service and sales	226.38)	921.14)
Telegraph commissions	5,211.91)	19,528.44)
Insurance vending machines	14,418.85	13,793.66
Sale of petroleum products	65,331.27	58,150.01
Shoe shine stands	2,993.63	1,267.53
Vending and weighing machines	376.29	458.85
Baggage locker commissions	7,101.31	4,164.60
Rest rooms	12,553.58	7,899.40
Automobile service station	13,345.31	972.78
Public stenographer	511.11	
Portrait sketches and sales	162.80	
Florist	2,346.94	
Gift shop	20,131.35	
Advertising displays	7,102.00	
Childrens' "Merry-Go-Rounds"	690.12	
Candy shop	1,721.11	
Book shop	3,121.93	
Photography	926.01	
Barber shop	2,518.47	
Telescopes	331.25	
Porter service	<u>2,500.00</u>	<u>          </u>
Total Services, Sales, Commissions and Permits	<u>\$967,881.99</u>	<u>\$478,177.06</u>
TOTAL OPERATING REVENUES	\$ <u>2,129,501.00</u>	\$ <u>1,164,378.60</u>



## EXHIBIT C - Page 3

AIRPORT DEPARTMENT  
SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE  
YEARS ENDED JUNE 30, 1955 AND JUNE 30, 1954

OPERATING EXPENSES:	<u>June 30, 1955</u>	<u>June 30, 1954</u>
Salaries and Wages:		
General & administrative	\$ 43,496.10	\$ 41,642.86
Maintenance & operations	<u>579,510.16</u>	<u>368,684.52</u>
Total Salaries and Wages	\$ <u>623,006.26</u>	\$ <u>410,327.38</u>
Other Costs of Operations:		
Travel expense (business trips)	\$ 2,514.97)	
Travel expense and local fares	1,347.07)	
Employee transportation expense	16,149.60)	\$ 13,479.80
Freight, express and drayage	189.56	44.90
Use of employees' cars - mileage only	22.56	13.09
Storage and care of vehicles	51.60	
Maintenance and care of office equipment	701.19	569.51
Maintenance and care of other equipment	72.49	194.10
Gas, electricity and fuel oil	63,067.35	18,001.30
Telephone and telegraph	\$27,447.69	
Less: Extension service		
charged to tenants	<u>18,987.88</u>	8,432.58
Postage	756.65	664.40
Printing, advertising, etc.	9,004.37	6,101.89
Newspapers and periodicals	435.71	400.94
Janitorial and window washing services:		
Contractual	9,914.23	1,135.00
Refuse disposal	1,241.19	1,047.02
Rentals of office furniture and equipment	626.82	
Professional and special services	37,530.51	29,349.19
Celebrations (Flight Festival)	10,000.00	
Miscellaneous contractual services	2,352.51	1,011.33
Operating material and supplies	27,252.75	14,280.95
P. U. C. - general office expense	18,263.04	12,398.17
Fire fighting expense	<u>156,190.86</u>	<u>70,355.38</u>
Total Other Costs of Operation	\$ <u>366,144.84</u>	\$ <u>174,479.55</u>
Other Costs of Maintenance and Repair:		
Landing area	\$ 1,146.82	\$ 1,545.79
Runways	14,551.28	8,316.07
Field lighting equipment	897.71	1,120.07
Radio equipment	1,393.31	733.72
Hangars	124.00	1,253.52
Administration building	10,910.26	902.33
Other buildings	2,528.73	2,319.11
Automotive equipment	4,154.12	6,198.59
Other equipment facilities	9,966.52	4,041.67
Parking areas, roads, walks, fences, etc.	6,903.14	8,491.19
Power distribution system	<u>2,929.80</u>	<u>853.62</u>
Total Other Costs of Maintenance and Repair	\$ <u>55,505.69</u>	\$ <u>35,775.68</u>

AIRPORT DEPARTMENT  
SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE  
YEARS ENDED JUNE 30, 1955 AND JUNE 30, 1954

OPERATING EXPENSES - Cont'd.	June 30, 1955	June 30, 1954
Fixed Charges:		
Accident compensation - employees	\$ 925.15	\$ 2,663.20
Automobile insurance	1,947.15	1,921.46
Other insurance	29,628.09	16,456.14
Pension and retirement allowance	71,886.10	47,732.73
Taxes paid	\$9,992.61	
Less charged to tenants	<u>2,073.03</u>	
Depreciation	7,919.58	7,728.66
Doubtful accounts	730,489.68(2)	718,388.20
Injuries and damages	4,800.00	4,800.00
Membership dues	200.00	200.00
	<u>1,035.00</u>	<u>1,035.00</u>
Total Fixed Charges	\$ <u>848,830.75</u>	\$ <u>800,925.39</u>
TOTAL OPERATING EXPENSES	<u>\$1,893,487.54</u>	<u>\$1,421,508.00</u>
OPERATING PROFIT (LOSS)	\$ <u>236,013.46</u>	(\$ <u>257,129.40</u> )
OTHER INCOME:		
Resale of electric energy	\$ 303,717.05	\$ 230,245.62
Less cost thereof	<u>208,390.52</u>	<u>174,639.63</u>
Total	\$ <u>95,326.53</u>	\$ <u>55,605.99</u>
Resale of water	\$ 52,496.72	\$ 14,450.57
Less cost thereof	<u>49,326.24</u>	<u>13,322.52</u>
Total	\$ <u>3,170.48</u>	\$ <u>1,128.05</u>
Sale of steam	\$ <u>3,556.96(1)</u>	
Miscellaneous	\$ <u>821.49</u>	\$ <u>2,857.70</u>
Total Other Income	\$ <u>102,875.46</u>	\$ <u>59,591.74</u>
Sub-total	\$ <u>338,888.92</u>	(\$ <u>197,537.66</u> )
OTHER EXPENSE:		
1945 and 1949 Airport Bond Interest Expense	\$ 138,586.88	\$ 99,108.12
Miscellaneous additions to and deductions from income - net deduction (Schedule C-1)	<u>89,037.72</u>	<u>185,139.94</u>
Total Other Expense	\$ <u>227,624.60</u>	\$ <u>284,248.06</u>
NET PROFIT (LOSS)	\$ <u>111,264.32(2)</u>	(\$ <u>481,785.72</u> )

(1) Cost of steam is incidental to the production of steam for heating terminal building. No breakdown of unit costs is available.

(2) See comments under "Operating expenses - Fixed charges, including depreciation". New terminal building opened for business September 1, 1954.

SCHEDULE C - 1

AIRPORT DEPARTMENT  
SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN MATEO COUNTY

MISCELLANEOUS ADDITIONS TO AND DEDUCTIONS FROM INCOME  
YEAR ENDED JUNE 30, 1955

	<u>Applicable to</u>		<u>Total</u>
	<u>1954-1955</u>	<u>Prior Years</u>	
<b>Deductions:</b>			
Provision for possible uncollectibility of disputed accounts receivable:			
Trans World Airlines	\$ 53,249.47		\$ 53,249.47
Western Air Lines	33,850.67		33,850.67
United Air Lines	2,400.00		2,400.00
Pan American Airways	<u>2,400.00</u>		<u>2,400.00</u>
Total	\$ 91,900.14		\$ 91,900.14
Inventory write-offs	781.86		781.86
Miscellaneous	<u>439.85</u>	\$ <u>412.39</u>	<u>852.24</u>
Total deductions	\$ <u>93,121.85</u>	\$ <u>412.39</u>	\$ <u>93,534.24</u>
<b>Additions:</b>			
Profit from sale of easement Revenue not previously recorded:	\$ 2,564.86		\$ 2,564.86
American Airlines		\$ 798.42	798.42
Trans World Airlines		221.83	221.83
U. S. Dept. of Commerce - Weather Bureau		276.04	276.04
Profit on sale of water		314.39	314.39
Miscellaneous	<u>237.13</u>	<u>83.85</u>	<u>320.98</u>
Total additions	\$ <u>2,801.99</u>	\$ <u>1,694.53</u>	\$ <u>4,496.52</u>
Net deduction	\$ <u>90,319.86</u>	\$ <u>1,282.14</u>	\$ <u>89,037.72</u>

## EXHIBIT D

## AIRPORT DEPARTMENT

## SAN FRANCISCO INTERNATIONAL AIRPORT

## SAN MATEO COUNTY

## STATISTICS

YEARS ENDED JUNE 30, 1955 AND JUNE 30, 1954

Comparative report of aircraft movements and traffic, including domestic and international activities.

	<u>June 30, 1955</u>	<u>June 30, 1954</u>	<u>Increase Decrease (-)</u>	<u>%</u>
Aircraft arrivals and departures, including extra sections, as reported by the Civil Aeronautics Administration traffic control tower				
Carriers	139,618	121,927	17,691	14.5
Itinerant	38,497	29,898	8,599	28.7
Local	<u>36,799</u>	<u>31,784</u>	<u>5,015</u>	<u>15.8</u>
Totals	<u>214,914</u>	<u>183,609</u>	<u>31,305</u>	<u>17.0</u>
Number of passengers, as reported by air carriers:				
On and off	2,401,538	2,000,824	400,714	20.0
Through (no stopovers)	<u>477,828</u>	<u>477,542</u>	<u>286</u>	<u>0.06</u>
Totals in and out (1)	<u>2,879,366</u>	<u>2,478,366</u>	<u>401,000</u>	<u>16.2</u>
Air mail, express and freight, in pounds on and off, as re- ported by various air lines: (1)				
Air mail	(2) 33,245,457	29,524,596	3,720,861	12.6
Express	7,195,498	6,239,896	955,602	15.3
Freight	<u>49,989,422</u>	<u>40,454,573</u>	<u>9,534,849</u>	<u>23.6</u>
Totals	<u>90,430,377</u>	<u>76,219,065</u>	<u>14,211,312</u>	<u>18.6</u>

## Notes:

- (1) Excludes activities of those non-scheduled air carriers which operate only seasonally or which use the San Francisco Airport only intermittently.
- (2) June 30, 1955 figure includes 4,203,914 pounds of first class mail sent by air.

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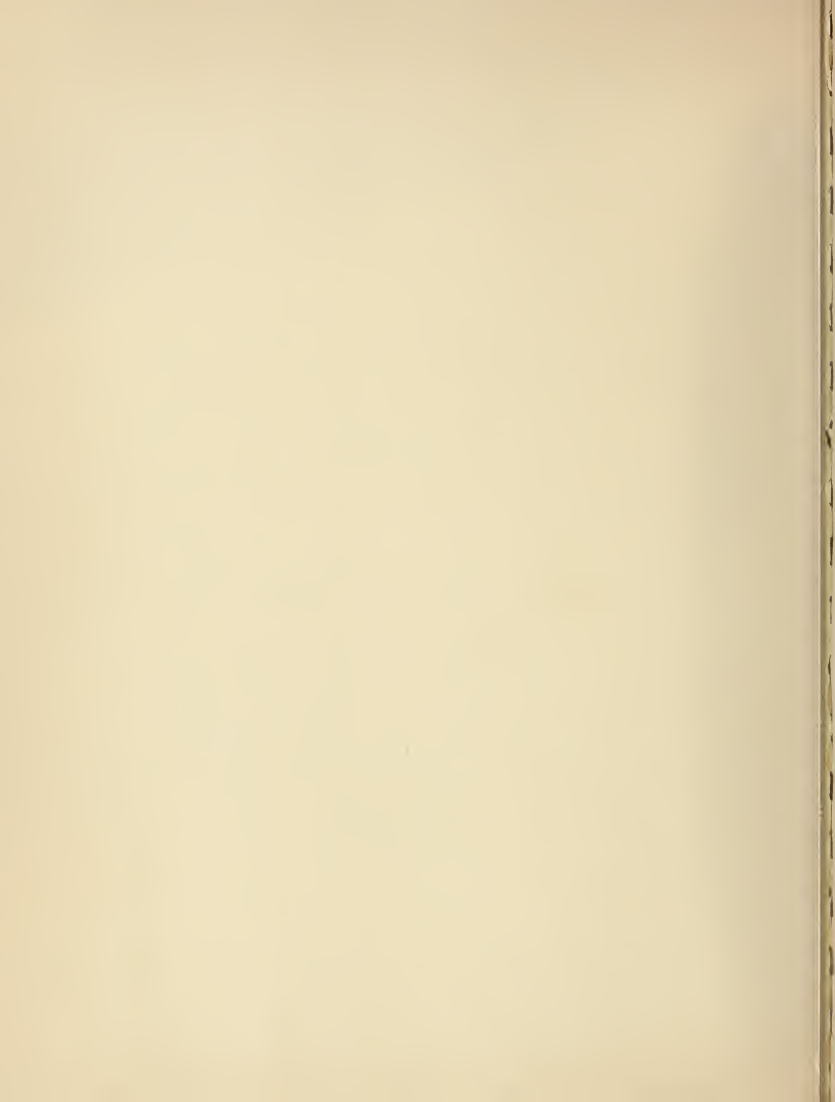
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By Lindquist, von Husen & Joyce

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# CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF  
CONTROLLER

October 3, 1956

To His Honor, the Mayor,  
and the Honorable Board of Supervisors,  
City and County of San Francisco

Gentlemen:

The annual report of the Controller for the fiscal year ended June 30, 1956 is submitted herewith, as provided by section 65 of the Charter.

The accounts of the Controller were audited by Lindquist, Von Husen & Joyce by direction of the Board of Supervisors, in accordance with provisions of section 68 of the Charter.

By direction of the Controller, the following audits reported herein were performed by the accounting firms indicated:

San Francisco Water Department, Hetch Hetchy Water Supply and Power Project, by Skinner & Hammond.

Municipal Railway, by Barlow, Davis & Wood.

San Francisco School Department, by Benson & Neff.

Employees Retirement System, by Arthur Young & Co.

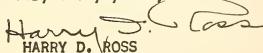
As prescribed by section 66 of the Charter, audits of the various departments of the City and County were made by the Controller's Audit Staffs. Included herein are the following:

Office of the Treasurer, by Controller's General Audit Staff.

San Francisco Airport, by Controller's Utilities Audit Staff.

Statistical schedules and charts were prepared by the Controller's Division of Accounts and Reports.

Very truly yours,

  
HARRY D. ROSS

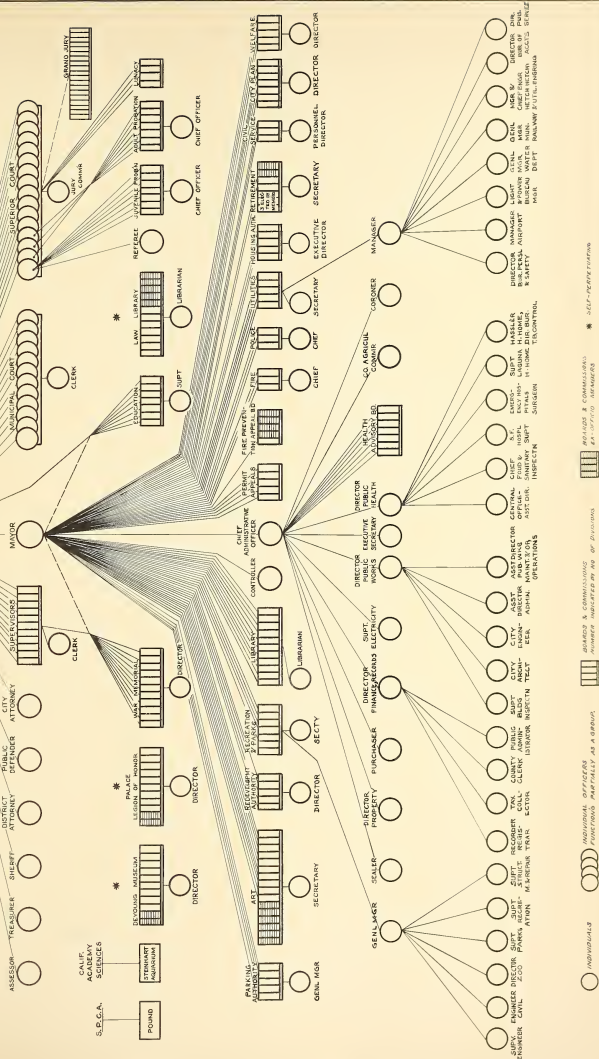
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## GOVERNMENT -

REGISTERED VOTERS

SAN FRANCISCO BUREAU  
OF GOVERNMENTAL RESEARCH  
50 Sutter Street San Francisco  
Alfred F. Smith, Director



## CONTRIBUTORS

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# CONTROLLER

Centralized financial planning,  
control and management, accounting  
auditing and systems.

## CHIEF ASSISTANT CONTROLLER

### GENERAL AUDITS

Monthly audit of Treasurer's Office.  
Periodical audits of Departments  
System design and installation  
Special investigations.

### UTILITY AUDITS

Audits-System Design & Installation  
Special Investigations-P. U. C. Gen'l.  
Wholesale, U. T. Electric, Municipal Ry.  
Water Dept., Hetch Hetchy Water  
Supply, All Fed. Aid Projects  
Airport, All Fed. Aid Projects

### SECRETARIAL STAFF

Correspondence and Reports, Stop  
Notice, Audits, Entry Bonds,  
Orders of Office, Insurance, Personnel  
Records & Procurement (Contr. Office)  
Claims Registry, Ordinances and  
Special Investigations, Control, including  
all city contracts

### ACCOUNTS-STATISTICS

Proprietary Ledger-Property Ledger  
General Ledger-Debt and  
Redemption audit and control  
Fund Ledger - General Journal -  
Reports - State Settlements -  
Extension and audit of Tax Rolls

### BUDGET CONTROL

Audit and Analysis of budget  
estimates and operating budget.  
Preparation of Budget Statistics,  
Consolidated Budget, Estimated  
Revenues, Annual Approp. Ordinance

### PAYROLL DIVISION

Audit and preparation of all timecards,  
payrolls and salary and pension warrants,  
Store and Federal income tax records;  
Monthly accounting control over all  
payroll transactions including  
preparation of Aid rolls and warrants.

### LEGAL DIVISION

Counsel  
Interpretation of Law  
Proposed Legislation

### GENERAL OFFICE

REVENUES  
ENCUMBRANCES  
DISBURSEMENTS

### REVENUES

Revenue Receipts and Statistics  
Approval of deposits with Treasurer  
Register of Receipts  
Stationery Control of fee  
receipts, badges and other  
receipts, licenses and fees  
Audit of licenses and fees  
Tax Apportionments  
Cash position  
Trust Accounts

### ENCUMBRANCES

Audit, Reconciliation and  
Certification of  
Purchase Orders  
Contracts  
Orders for Work (inter-dept)  
Service Orders  
Court Orders  
Judgments  
Claims

### GENERAL DISBURSEMENTS

#### AUDIT

Authority  
Legality  
Specifications  
Prices  
Terms  
Material  
received  
reports

#### VOUCHER WARRANTS

Typing,  
numbering,  
stamping  
and  
mailing

### PAYROLL RELEASE

#### PAYROLL RELEASE

Process and release of  
warrants to departments  
for payment of  
(Contractual) Distribu-  
tion of expenditures,  
maintain file for judgments,  
power of attorney, holds.

### SOCIAL SERVICE

#### AUDIT OF AID CLAIMS

Needy Aged  
Needy Blind  
Widows Pensions  
State School  
Criminal Inmate  
Narcotics  
Maintenance  
of Minors

### APPROPRIATION LEDGER

Appropriations  
Allotments  
Encumbrances  
Disbursements

### WARRANT REGISTER

Verification of Paid Warrants  
Reconciliation of  
Outstanding Warrants



## STATEMENT OF REVENUES

Fiscal Years 1946-47 to 1955-56

## FISCAL YEAR ENDED JUNE 30

	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956
Property Taxes and Penalties .....	\$47,214,061	\$51,429,242	\$60,358,808	\$60,699,337	\$66,500,390	\$70,595,833	\$69,852,672	\$76,123,581	\$84,448,841	\$89,361,418
Retail Purchase and Use Tax .....	3,507,328	4,667,018	4,579,668	5,045,495	5,049,201	5,049,201	5,049,201	4,984,922	5,124,681	5,603,569
Other Taxes and Licenses .....	1,314,284	1,331,662	1,465,059	1,506,803	1,538,434	1,614,163	1,698,453	1,730,380	1,811,030	1,926,163
Court Fines .....	1,349,743	1,294,335	1,866,163	1,661,179	1,661,179	1,882,284	2,246,475	2,470,813	2,657,794	2,857,703
Departmental Revenues .....	3,774,665	4,071,472	5,225,206	5,383,159	6,499,076	6,182,217	6,600,108	6,961,796	7,757,720	8,278,707
Interest on Bonds .....	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Interest on Special District .....	389,312	387,651	401,763	371,262	332,363	330,665	326,697	326,697	307,011	318,985
San Francisco School District .....	409,110	416,319	416,319	372,367	392,037	326,222	244,335	309,485	356,767	386,767
Housing Authority in Lieu of Taxes .....	332,462	69,485	51,441	91,940	49,493	87,988	134,104	90,099	158,035	189,139
Miscellaneous .....	54,813,182	62,584,029	74,133,159	75,253,545	82,556,691	86,500,576	86,739,410	93,659,379	102,922,644	109,130,314
Cash Transferred from Capital Funds .....	94,200	6,500	263,787	537,093	223,845	369,254	358,985	764,616	1,427	608,416
Cash Transferred from Trust Funds .....	7,986	.....	.....	.....	.....	.....	.....	.....	.....	.....
From School Cafeteria Fund .....	54,915,368	62,530,529	74,350,888	75,720,638	83,780,836	86,869,930	87,098,395	94,464,095	103,011,345	109,717,730
Revenues Through State of California										
Shared State Taxes:										
Motor Vehicle Fuel Tax:										
Special Gas Tax Street Imp. Fund ..	774,086	1,575,860	2,408,477	2,207,248	2,308,220	2,250,222	2,327,622	2,269,025	2,274,701	2,387,601
Special Road Imp. Fund .....	1,353,568	1,578,501	1,578,501	1,782,670	1,823,473	1,902,631	1,981,576	1,980,017	2,004,260	2,143,934
Motor Vehicle License Fees .....	389,333	404,961	404,961	436,181	440,173	450,839	467,551	484,200	500,986	518,244
Motor Vehicle License Fees .....	2,143,312	4,643,961	3,331,193	4,346,181	4,407,173	6,508,349	5,671,985	6,352,088	6,400,986	7,566,366
Alcoholic Beverage License Subsidy ..	698,112	1,265,937	1,264,850	1,367,641	1,415,966	1,249,603	1,263,643	1,261,919	1,276,236	1,290,311
Miscellaneous .....	2,620	.....	.....	.....	.....	.....	.....	.....	.....	.....
State and Federal Grants-In-Aid:										
Maintenance of Minors .....	104,984	195,597	266,283	411,910	569,920	557,906	525,558	517,699	539,697	559,526
Aid to Needy Children .....	241,912	426,300	730,597	1,567,352	2,681,619	2,856,288	2,894,867	3,000,146	3,248,027	3,453,075
Aid to Needy Blind .....	187,972	172,243	182,293	191,972	442,090	451,206	467,457	479,407	493,579	526,134
Aid to Needy Aged .....	5,859,058	6,878,562	3,883,186	4,785,842	11,979,851	11,657,155	11,814,695	11,760,138	11,273,450	11,489,981
Adoption Program .....	.....	.....	.....	.....	64,000	93,008	116,139	126,815	86,349	95,656
Homes for Children and Aged .....	21,465	21,920	26,420	28,772	27,344	24,792	27,768	29,284	34,000	34,195
School Apartments Iron State .....	6,939,880	7,355,393	7,462,264	7,720,320	7,781,132	8,427,501	10,770,345	11,219,877	11,451,505	11,451,505
School Service Fund .....	24,400	24,400	27,059	27,059	31,350	36,587	36,587	36,587	44,435	44,435
Child Care .....	332,757	671,000	94,206	682,577	497,471	481,765	481,765	481,765	514,335	514,335
School Cafeteria .....	64,210	66,576	94,206	94,206	94,206	111,095	87,250	87,250	111,688	193,129
Teachers' Retirement .....	.....	.....	247,553	335,794	352,874	682,629	737,547	803,158	922,054	993,475
Driver Training Program .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	26,400
Federal Aid to Schools .....	806,701	789,610	599,883	496,366	482,511	640,957	823,518	1,055,033	894,401	534,745
Tuberculosis Aid Subsidy .....	20,040	448,036	342,678	499,684	520,617	513,845	520,617	459,241	533,284	428,784
Crippled Children Program .....	.....	.....	75,000	113,024	159,052	201,942	285,542	398,831	369,387	369,897
Other Public Health Subsidies .....	57,270	270,610	248,818	248,271	237,903	227,617	237,903	199,159	198,341	245,654
Aid for Log Cabin Ranch .....	23,559	30,878	31,424	40,569	48,402	46,402	43,250	46,360	52,907	54,930
Fire Boat and Waterfront Expense ..	136,373	168,615	199,776	202,262	209,849	219,498	229,416	252,803	252,803	221,503
Civilian War Assistance .....	145,174	13,746	65	.....	.....	.....	.....	.....	.....	.....
Disaster Council and Corps .....	29,927	89,474	35,354	363,315	140*	.....	.....	65,027	30,352	13,107
Recreation Fund .....	12,925	5,028	11,325*	11,325*	.....	37,750	125,147	.....	.....	.....
California Genitalia Commission .....	.....	.....	50,000	.....	.....	.....	.....	.....	.....	.....
Total Revenues	\$18,270,856	\$26,047,275	\$23,915,871	\$27,449,093	\$30,497,258	\$38,932,329	\$39,508,407	\$42,687,117	\$43,275,125	\$45,060,043
* Denotes Deduction	\$73,186,223	\$88,637,804	\$98,560,759	\$103,239,731	\$119,278,024	\$125,302,259	\$126,606,802	\$137,151,212	\$146,286,470	\$154,807,773

\* Denotes Deduction

## CITY AND COUNTY OF SAN FRANCISCO

## STATEMENT OF EXPENDITURES

Fiscal Years 1946-47 to 1955-56

FISCAL YEAR ENDED JUNE 30

	1947	1948	1949	1950 (a)	1951 (a)	1952 (a)	1953 (a)	1954 (a)	1955 (a)	1956 (a)
Departmental Expenditures:										
General Government .....	\$ 6,193,959.93	\$ 6,925,959.92	\$ 7,585,988.85	\$ 7,828,393	\$ 7,789,286	\$ 8,767,034	\$ 8,539,705	\$ 9,385,669	\$ 9,909,585	\$ 10,250,985
Public Safety .....	10,857,546.70	12,839,310.39	14,393,249.89	15,228,793	15,888,967	17,509,966	18,748,784	20,804,800	22,004,766	22,057,205
Highways .....	1,473,382.64	1,709,206.37	1,922,531.04	2,046,428	1,963,287	1,950,737	2,722,831	3,028,109	3,287,557	3,450,138
Sanitation and Waste Removal .....	1,842,717.46	1,929,911.11	2,118,372.33	2,141,219	2,147,014	2,569,934	2,957,688	3,269,346	3,324,461	3,486,355
Sanitation and Health .....	4,751,655.57	5,095,183.39	6,372,356.02	6,068,362	6,213,358	6,590,449	7,532,420	7,753,708	7,806,128	7,918,451
Hospitals .....	4,770,136.57	5,095,183.39	6,372,356.02	6,068,362	6,213,358	6,590,449	7,532,420	7,753,708	7,806,128	7,918,451
Public Welfare .....	10,177,029.89	11,707,740.52	8,959,960.80	10,882,610	20,821,295	21,033,625	22,077,758	22,077,758	22,077,758	22,077,758
Correction .....	828,720.40	979,876.16	1,008,140.47	1,018,600	1,080,704	1,021,296	1,801,926	1,965,756	2,106,164	2,370,816
Schools .....	16,101,288.59	19,136,880.47	21,219,221.03	23,016,066	24,390,045	26,798,544	29,341,754	31,363,509	32,027,730	33,965,430
Libraries .....	554,835.86	695,706.78	772,215.21	802,652	825,926	923,544	935,314	1,045,452	1,105,315	1,168,100
Recreation .....	4,221,776.93	4,737,851.59	5,276,653.38	5,296,062	4,753,800	4,932,813	5,075,479	5,419,246	5,580,062	5,624,208
Total Departmental Expenditures .....	58,452,825.60	68,103,337.83	71,102,986.83	76,950,480	88,318,467	95,677,549	101,337,839	108,170,972	112,340,950	116,634,732
Bond Redemptions .....	3,115,000.00	3,015,000.00	4,189,000.00	4,430,000	5,098,000	5,393,000	5,540,000	5,554,000	6,694,000	6,888,000
Bond Interest .....	1,039,649.30	957,232.78	1,077,821.78	1,296,730	1,335,016	1,367,380	1,447,605	1,616,812	1,954,498	1,669,775
Other Interest .....	2,125.00	.....	.....	.....	.....	.....	.....	.....	.....	.....
Pensions and Compensation .....	4,457,047.00	7,519,358.77	8,285,240.80	10,316,145	10,918,329	11,880,452	12,541,720	13,527,239	13,761,938	15,325,584
Judgments and Losses .....	34,483.47	57,147.97	56,543.48	37,177	79,589	21,749	213,370	125,789	209,633	175,068
Support of Public Service Enterprises:										
Hetch Hetchy Project .....	6,536.06*	.....	.....	.....	.....	.....	.....	.....	.....	.....
Alameda .....	891,489.22	1,504,236.56	2,632,670.00	2,966,290	2,996,780	1,712,594	1,604,442	1,465,459	1,890,856	795,774
Municipal Railway .....	.....	.....	2,461,249.14	.....	1,052,032	2,384,117	9,000*	.....	2,932,848	3,098,178
Light, Heat and Power .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Bureau of Public Utilities Commission:										
Capital .....	2,733,964.71	2,986,764.38	4,103,630.48	5,034,158	7,997,801	3,621,981	3,471,108	139,379	145,615	210,319
Capital Additions From Revenues .....	31,188.55	22,893.96	.....	.....	106,165	303,405	218,896	201,273	196,730	185,934
Civilian Defense .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Assessments, Other Civil .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Divisions .....	198,210.00	181,598.36	170,342.08	171,825	190,383	169,133	99,000	99,000	336,113	132,000
Miscellaneous, net .....	2,432,311.38	733,508.34	1,817,935.93	140,910*	274,018	8	761,785	1,049,231*	820,044*	48,261*
Total Expenditures .....	\$73,373,778.17	\$85,083,098.95	\$96,919,615.29	\$101,501,574	\$118,090,320	\$122,586,674	\$127,203,977	\$135,730,407	\$144,510,750	\$150,567,165

\*Denotes Credit.  
(a) Census Omitted.

CITY AND COUNTY OF SAN FRANCISCO  
WATER DEPARTMENT

STATEMENT OF OPERATIONS

Fiscal Years 1946-47 to 1985-86

FISCAL YEAR ENDED JUNE 30

	1947	1948	1949	1950	1951	1952	1953 (a)	1954 (a)	1955 (a)	1956 (a)
Water Sales .....	\$10,519,351.35	\$10,614,577.04	\$10,932,354.55	\$10,151,099.50	\$10,798,833.90	\$11,351,399.94	\$11,804,318	\$12,133,574	\$12,683,906	\$13,048,334
Operating Expenses:										
Provision for Depreciation...	888,180.86	891,767.46	889,337.61	906,404.87	940,078.04	948,787.58	970,779	1,077,970	1,178,805	1,190,549
Other Operating Expenses ...	6,591,925.78	6,795,039.29	7,333,010.93	6,431,285.62	6,372,332.92	6,512,562.53	6,910,330	7,315,650	8,109,677	8,119,086
	7,480,106.64	7,686,806.75	8,222,348.54	7,337,690.49	7,312,410.96	7,461,350.11	7,881,309	8,393,620	9,288,482	9,309,635
Profit from Operations.....	3,039,244.71	2,927,770.29	2,710,006.01	2,813,409.01	3,486,422.94	3,890,049.83	3,923,009	3,739,954	3,395,424	3,738,699
Other Income .....	210,773.60	179,915.15	245,593.36	201,651.22	237,246.98	313,604.11	382,030	923,093	578,909	379,623
	3,250,018.31	3,107,685.44	2,955,599.37	3,015,060.23	3,723,669.92	4,203,653.94	4,305,039	4,663,047	3,974,333	4,118,322
Other Expenses:										
Interest on Bonded Debt.....	1,246,783.33	1,179,263.34	1,111,743.33	1,052,577.44	984,957.50	928,586.17	986,083	914,115	875,664	838,325
Other .....	58,501.51	40,027.25	50,879.92	44,439.43	44,874.53	65,148.01	72,338	60,058	83,724	71,003
	1,305,284.84	1,219,290.59	1,162,623.25	1,097,016.87	1,029,832.03	993,734.18	1,058,021	974,173	959,388	909,328
Net Income .....	\$ 1,944,733.47	\$ 1,888,394.85	\$ 1,792,976.12	\$ 1,918,043.36	\$ 2,693,837.89	\$ 3,209,919.76	\$ 3,246,418	\$ 3,688,874	\$ 3,014,945	\$ 3,208,994

(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO  
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

STATEMENT OF OPERATIONS  
Fiscal Years 1946-47 to 1955-56

FISCAL YEAR ENDED JUNE 30

	1947	1948	1949	1950	1951	1952	1953 (a)	1954 (a)	1955 (a)	1956 (a)
Power Sales .....	\$3,319,004.76	\$3,392,272.27	\$3,390,905.66	\$3,322,439.95	\$3,439,372.12	\$4,009,143.65	\$4,617,981	\$4,289,746	\$4,526,289	\$4,517,503
Standby Charge and Sale of Water to the S. F. Water Dept .....	3,731,908.00	3,533,700.00	3,780,804.29	3,588,504.63	3,575,046.00	3,445,250.00	3,545,590	3,545,590	4,030,000	4,030,000
Operating Expenses:	7,050,912.76	6,925,972.27	7,171,709.95	6,910,944.58	7,014,418.12	7,454,393.65	8,163,571	7,835,336	8,556,289	8,547,503
Provision for Depreciation .....	1,518,809.10	1,514,979.47	1,509,904.71	1,507,862.87	1,696,960.13	1,697,308.11	1,710,305	1,811,945	1,825,007	1,794,028
Other Operating Expenses .....	1,576,200.79	1,869,609.69	1,761,431.01	1,886,543.66	1,824,901.18	2,421,267.67	2,900,321	2,783,817	3,226,122	3,170,478
Profit from Operations .....	3,095,009.89	3,384,589.16	3,271,335.72	3,394,406.53	3,521,861.31	4,118,575.78	4,610,626	4,595,762	5,051,129	4,964,506
Other Income .....	3,955,902.87	3,541,383.11	3,900,374.23	3,516,538.05	3,492,556.81	3,335,817.87	3,552,945	3,239,574	3,505,160	3,582,997
Interest on Bonded Debt .....	19,065.14	22,833.35	23,435.68	29,455.94	29,175.91	69,512.59	65,315	56,767	41,715	40,255
Other Expenses:	3,974,968.01	3,564,216.46	3,923,809.91	3,545,993.99	3,521,732.72	3,405,330.46	3,618,260	3,296,341	3,546,875	3,623,252
Net Income .....	3,233,977.70	2,131,660.21	2,029,342.71	1,927,557.47	1,962,307.62	1,849,954.77	1,787,239	1,706,321	1,572,251	1,451,714
Other .....	87,910.45	.....	.....	.....	.....	2,248.68	2,354	.....	16,490	.....
Net Income .....	2,321,888.15	2,131,660.21	2,029,342.71	1,927,557.47	1,962,307.62	1,852,203.45	1,789,593	1,706,321	1,588,741	1,451,714
Net Income .....	\$1,653,079.86	\$1,432,556.25	\$1,894,467.20	\$1,618,436.52	\$1,559,425.10	\$1,553,127.01	\$1,828,667	\$1,590,020	\$1,958,134	\$2,171,538

\*Denotes Loss.  
(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO  
MUNICIPAL RAILWAY

STATEMENT OF OPERATIONS  
Fiscal Years 1946-47 to 1955-56

FISCAL YEAR ENDED JUNE 30

	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956
Revenues .....	\$19,032,755.53	\$18,221,581.91	\$18,592,096.33	\$18,575,307.83	\$18,028,977.29	\$18,742,353.37	\$23,491,980.98	\$22,137,625.17	\$21,087,543.29	\$20,456,021.13
Operating Expenses:										
Depreciation .....	1,073,837.58	1,087,841.45	1,450,311.34	1,833,451.30	1,710,397.02	1,774,354.44	1,876,593.34	1,814,263.97	1,732,383.04	1,999,251.37
Other Operating Expenses ..	18,483,636.08	18,539,561.76	19,398,286.27	18,844,625.83	17,827,490.01	19,364,096.72	20,972,373.54	20,867,915.18	20,285,821.91	20,559,117.37
	19,557,473.66	19,627,403.21	20,848,597.61	20,678,077.13	19,537,887.03	21,038,451.16	22,850,966.88	22,682,179.15	22,018,204.95	21,958,368.74
Profit from Operations .....	518,718.13*	1,305,821.30*	2,256,501.28*	2,102,769.30*	1,508,909.74*	2,796,097.79*	641,014.10	544,553.98*	930,361.66*	1,502,347.59*
Other Income .....	51,678.23	10,519.31	13,064.57	287,177.18	389,890.20	24,243.33	154,071.82	24,498.31	56,617.87	92,562.84
	467,039.90*	1,295,301.99*	2,243,436.71*	1,315,592.12*	1,149,019.54*	2,771,854.46*	795,085.92	520,055.67*	874,043.79*	1,409,784.75*
Other Expenses:										
Interest on Market Street Railway purchase .....	85,721.02	64,725.99								
Interest on Bonded Debt ..	32,083.34	30,727.50	107,164.79	259,419.92	284,605.13	287,001.45	295,796.52	271,215.08	249,193.47	227,698.57
Other .....		202,926.02	137,716.09		96,784.97	58,471.67	1,320.47	91,202.15	29,840.93	17,711.64
	117,804.36	298,379.51	244,910.88	259,419.92	381,390.10	345,473.12	297,116.99	362,417.23	279,034.40	245,410.21
Net Income .....	\$ 584,844.26*	\$ 1,593,681.50*	\$ 2,488,347.59*	\$ 2,075,012.04*	\$ 1,530,409.64*	\$ 3,117,327.58*	\$ 497,968.93	\$ 882,472.50*	\$ 1,153,078.19*	\$ 1,655,194.96*

\*Denotes Loss.

CITY AND COUNTY OF SAN FRANCISCO  
AIRPORT

STATEMENT OF OPERATIONS

Fiscal Years 1946-47 to 1955-56

FISCAL YEAR ENDED JUNE 30

	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956
<b>Revenues</b>										
Operating Charges	\$ 90,375.37	\$118,652.26	\$ 130,101.09	\$ 155,233.76	\$ 213,317.28	\$ 293,517.92	\$ 340,008.82	\$ 422,577.78	\$ 444,124.68	\$ 480,489.69
Rental	98,219.64	143,041.93	98,308.75	118,759.03	135,241.60	157,800.59	181,356.96	212,851.71	657,339.69	853,288.87
Other	99,430.73	101,127.58	195,573.44	246,869.66	298,727.32	380,556.80	469,125.99	528,949.11	1,028,036.66	1,251,440.88
	288,025.74	362,827.77	423,983.28	520,862.45	647,286.20	831,875.31	990,491.77	1,164,378.60	2,129,501.00	2,585,219.44
<b>Operating Expenses:</b>										
Depreciation	434,979.48	434,958.82	638,043.10	648,646.19	823,339.87	832,193.45	811,347.59	718,388.20	730,489.68	1,029,908.17
Other Operating Expenses	254,921.49	388,833.69	506,176.63	571,061.36	583,435.30	584,750.31	634,650.55	703,119.80	1,162,997.86	1,401,178.89
	689,900.97	823,792.51	1,144,219.73	1,219,707.55	1,406,775.17	1,416,943.76	1,445,978.14	1,421,508.00	1,893,487.54	2,431,087.06
Profit from Operations	401,875.23*	460,964.74*	720,236.45*	698,845.10*	759,488.97*	585,068.45*	455,486.37*	257,129.40*	236,013.46	154,132.38
Other Income	18,933.88	25,907.75	30,185.17	25,353.19	33,725.10	31,936.16	29,440.08	59,591.74	102,875.46	114,560.28
	382,941.35*	435,056.99*	690,051.28*	673,491.91*	725,763.87*	553,132.29*	426,046.29*	197,537.66*	338,888.92	268,692.66
Interest on Bonded Debt	13,188.56	29,303.68	106,390.54	87,584.53	120,900.41	134,091.68	116,542.44	99,108.12	138,586.88	168,796.86
Other Expenses					2,481.22	15,151.13	(20,253.67)	185,139.94	89,037.72	89,173.95
	13,188.56	29,303.68	106,390.54	87,584.53	123,381.63	149,242.81	96,288.77	284,248.06	227,624.60	257,970.81
Net Income	\$396,129.91*	\$464,360.67*	\$796,441.92*	\$761,076.44*	\$849,145.50*	\$702,375.10*	\$522,335.06*	\$481,785.72*	111,264.32	10,721.85

\*Denotes Loss



CITY AND COUNTY OF SAN FRANCISCO  
 DEPARTMENT OF PUBLIC WORKS  
 FOR THE 10 YEAR PERIOD JULY 1, 1946 to JUNE 30, 1956

	Increase or Decrease			Balances - June 30, 1956		
	Total	Land	Buildings & Equipment	Total	Land	Buildings & Equipment
<b>GENERAL GOVERNMENT</b>						
Civic Center, Incl. City Hall	\$ 610,880.56	\$ 637,452.93A	\$ 100,018.72	\$ 9,790,596.62	\$ 1,798,521.80	\$ 8,116,169.98
<b>PUBLIC WORKS</b>						
Public Works Administration	8,865,635.65	313,723.18	3,521,788.45	981,180.45	18,038,404.13	12,353,295.31
Police Department	595,371.71	178,280.00A	410,329.21	1,033,322.51	4,575,561.30	592,380.10
Department of Electricity	87,201.61		13,868.33	73,199.28	963,216.94	737,761.73
<b>ROADWAYS</b>						
Streets, Tunnels, Bridges Etc.	38,133,687.17	4,192,158.25	33,133,681.61	317,317.38	103,077,223.31	31,717,696.27
San Francisco Municipal Improvement	1,188,737.37		1,188,737.37	1,188,737.37	58,587,116.15	1,188,737.37
Off-Street Parking	944,573.60	888,739.42	55,834.18	944,573.60	888,739.42	55,834.18
<b>SANITATION</b>						
Sewers & Sewage Disposal Plants	36,831,158.21	972,934.91	35,860,558.43	210,564.17	60,304,205.47	149,261,147.70
Street Cleaning Department	285,215.21		285,215.21	285,215.21	67,321.27	217,893.94
Sanitation Administration						
<b>HEALTH CONSERVATION</b>						
Healer Health Home	95,765.59		32,857.23	65,907.66	1,319,974.30	1,116,607.52
Civic Center Health Building	223,050.75	575.00A	735.79	222,889.96	1,391,074.24	908,774.20
Excelsior Health Center	302,500A			85,081.51	144,135.00	60,618.18
Excelsior Health Center	67,152.25A	112,465.00A	71,579.38	3,553.37	2,519,654.57	85,516.18
<b>HOSPITALS</b>						
San Francisco Hospital	1,523,987.01	13,690.00A	1,409,339.78	7,972,184.61	674,926.97	5,918,264.91
Emergency Hospitals	71,175.62		71,175.62	37,118.28	10,999.70	82,969.15
<b>PUBLIC RECREATION</b>						
San Francisco Home	989,727.12	4,937.85A	734,115.06	6,034,699.89	95,569.15	5,138,798.57
San Francisco Home	147,150.16	137,500.00	13,278.25	89,382.91	131,231.15	131,276.25
<b>CONFESSIONS</b>						
County Jail	23,095.91		11,896.81	14,199.07	34,156.52	815,151.85
Juvenile Detention Home - Old	86,651.11		31,966.95	15,567.19	10,310.00	112,121.68
Youth Guidance Center	4,317,416.80	50,400.00	4,211,377.93	85,318.87	4,367,466.60	95,368.87
Juvenile Log Cabin Ranch	123,066.11		203,866.25	14,218.16	282,959.50	119,200.14
<b>SCHOOLS</b>						
53,158,266.09	4,079,768.68	43,582,337.18	5,196,160.23	105,511,881.86	11,266,193.31	94,618,786.19
<b>LIBRARIES</b>						
605,183.50	13,411.19	163,579.72	98,189.59	4,078,819.85	146,121.19	1,764,055.35
<b>RECREATION</b>						
Playgrounds & Swimming Pools	8,131,021.16	637,318.53	7,161,161.15	399,304.18	13,182,158.03	9,239,669.64
Museums, Art Galleries Etc.	203,221.56		500,168.62	129,681.94	1,972,028.28	303,305.01
Palace of Fine Arts	2,565,009.10		1,586,266.58	333,130.55	7,139,051.81	7,139,051.81
Parks & Squares	2,565,009.10	605,612.71	1,586,266.58	333,130.55	7,139,051.81	7,139,051.81
Auditorium	121,274.42		93,053.47	28,117.35	2,162,121.16	1,619,766.15
Golf Links	692,119.96	8,175.00A	630,354.96	1,769,170.32	716,515.18	1,054,264.81
Kezar Stadium	144,723.62	125,862.68	288,900.91	1,198,860.17	222,531.48	976,008.69
<b>OTHER</b>						
Central Warehouse & Corporation Yard	824,716.82	169,582.36	655,134.46	1,111,927.03	333,195.53	773,020.05
Central System	1,151.41		1,151.41	1,151.41	15,525.00	1,151.41
Miscellaneous	375,752.25	132,866.94A	116,161.19	322,157.71	89,509.98	232,647.73
<b>Total</b>	\$158,795,705.58	\$11,381,909.75	\$135,376,688.92	\$12,017,106.91	\$388,716,995.70	\$72,018,218,756.05
A - Re-allocated to Other City Departments						
\$22,309,130.51						

CITY AND COUNTY OF SAN FRANCISCO  
 ADDITIONS TO PROPERTIES - BY SOURCE OF FUNDS  
 FOR THE 10 YEAR PERIOD JULY 1, 1946 TO JUNE 30, 1956

Source of Funds:	Total	Land	Buildings & Improvements	Equipment
Current Funds:				
General Fund	\$11,862,353.05	\$ 266,621.27	\$ 6,637,109.34	\$14,555,282.64
Recreation - Park	3,105,932.58	1,908,791.85	1,908,791.85	122,535.33
Library	534,685.56	39,799.90	104,110.86	90,574.74
Public Works	116,089.11	85,127.27	85,127.27	3,667.58
California Palace of the Legion of Honor	187,576.13		394,193.89	93,082.28
de Young Memorial Museum	300.00			300.00
Publicity and Advertising	8,768,734.46	2,335,573.43	6,911,076.38	12,084.65
Special Gas Tax Street Improvement	1,018,359.12	2,300,568.07	3,229,608.66	12,084.65
San Francisco Unified School District	1,018,359.91	526,103.21	1,570,206.70	3,084,382.60
Special Accumulative Building Fund - Schools	20,193,116			20,193,116
Child Care Centers	15,250,252.35	7,755,530.37	28,104,566.51	9,364,155.47
Capital Funds:				
Real Property - General City	1,128,267.68	1,003,242.05	127,705.63	
Real Property - S. F. U. S. D.	207,066.57	175,827.08	267,970.11	
1921 Municipal Bonds	2,595,520.00	4,026,116	159,159.58	
1931 Parks & Squares Bonds	2,159.50	30.00	1,153.28	
1931 Sewer Bonds	1,463.40		1,351.55	
1938 Hospital Bonds	4,354.55		12,168,115.18	
1942 Fire Protection Bonds	377,687.01		1,197,825.59	
1946 Municipal Bonds	1,000,000.00	916,919.98	15,929,600.74	
1946-48 Juvenile Home & Court Bonds	16,243,657.04	310,939.55	6,124,635.57	
1947 Street Improvement Bonds	9,271,144.67	931,514.18	52,831.18	
1947 Recreation Bonds	9,271,144.67	861,082.26	13,636,469.28	
1947 Off-Street Parking Bonds	9,271,144.67	861,082.26	13,636,469.28	
1948 School Bonds	12,834,512.60	931,510.62	2,310,956.97	
1952 Firehouse Bonds	2,519,072.67	178,215.70	390,950.10	
1951 Leguna Bonds	395,210.05		695,250.63	
1951 Sewer Bonds	695,250.63		91,185.38	
1951 San Francisco Hospital Bonds	104,105.87		41,286.01	
1951 Exhibit Hall Bonds	41,286.01			
	111,052,994.95	3,694,773.52	150,906,121.10	2,151,777.03
Trust Funds:				
State Highway	2,472,306.87	86,605.86	2,385,701.01	1,151.11
Retirement System	1,151.11	35,000.00		
Sigmund Stern Donation	35,000.00			
	2,488,160.28	121,605.86	2,385,701.01	1,151.11
Total Additions	\$158,795,795.58	\$11,381,909.75	\$135,296,648.92	\$12,017,106.91
Debtless Decreases				



CITY AND COUNTY OF SAN FRANCISCO  
ASSESSMENT ROLLS

Fiscal Years 1946-47 to 1956-57

Fiscal Year	Roll	Assessed By	Land	Improvements	Tangible Personal Property	Veterans' Welfare and Other Exemptions	Total Assessed Value Subject to City & Co. Ad Valorem Rate	Rate	Solvent Credits Taxed @ 10¢ per \$100	Total Roll
1946-47	Unsecured - City and County Assessor...				110,180,654	.....	110,180,654	4.83	291,963,083	402,143,737
	Secured - City and County Assessor.....		297,150,419	379,741,290	5,517,536	16,967,838	665,441,407	5.55	9,112,900	674,554,307
	Secured - State Board of Equalization.....		11,291,570	41,736,690	32,055,820	.....	85,084,080	5.55	62,005,210	147,089,290
	Total.....		\$308,441,989	\$421,477,980	\$147,754,010	\$16,967,838	\$860,706,141		\$363,081,193	\$1,223,787,334
1947-48	Unsecured - City and County Assessor...				150,379,489	4,464,748	145,914,741	5.55	328,391,141	474,305,882
	Secured - City and County Assessor.....		304,975,992	403,718,630	4,811,461	34,899,392	678,606,691	5.62	7,769,526	686,376,217
	Secured - State Board of Equalization.....		11,441,450	43,692,360	33,962,940	.....	89,096,750	5.62	32,033,180	121,129,930
	Total.....		\$316,417,442	\$447,410,990	\$189,153,890	\$39,364,140	\$913,618,182		\$368,193,847	\$1,281,812,029
1948-49	Unsecured - City and County Assessor...				176,254,123	2,170,550	174,083,573	5.62	388,793,008	562,876,581
	Secured - City and County Assessor.....		333,507,884	426,062,240	7,052,890	37,269,790	729,353,224	6.09	8,097,591	737,450,815
	Secured - State Board of Equalization.....		11,566,170	49,385,230	35,695,010	.....	96,646,410	6.09	33,209,320	129,855,730
	Total.....		\$345,074,054	\$475,447,470	\$219,002,023	\$39,440,340	\$1,000,083,207		\$430,099,919	\$1,430,183,126
1949-50	Unsecured - City and County Assessor...				187,081,075	2,368,931	184,712,144	6.09	413,302,218	598,014,362
	Secured - City and County Assessor.....		338,327,522	447,097,465	7,996,786	39,773,711	753,648,052	5.66	10,463,329	764,111,391
	Secured - State Board of Equalization.....		11,634,050	60,688,540	40,147,520	.....	112,470,110	5.66	34,463,340	146,935,540
	Total.....		\$349,961,572	\$507,786,005	\$235,225,381	\$42,142,642	\$1,050,830,316		\$458,228,977	\$1,509,059,293
1950-51	Unsecured - City and County Assessor...				174,987,355	2,460,275	172,527,080	5.66	446,958,945	619,486,025
	Secured - City and County Assessor.....		338,486,080	468,437,890	10,373,612	42,988,325	774,309,257	6.29	7,389,121	781,698,378
	Secured - State Board of Equalization.....		11,594,320	64,845,380	38,418,540	.....	114,858,240	6.29	41,805,700	156,663,940
	Total.....		\$350,080,400	\$533,283,270	\$223,779,507	\$45,448,600	\$1,061,694,577		\$496,153,766	\$1,557,848,343
1951-52	Unsecured - City and County Assessor...				199,089,454	2,242,564	196,846,890	6.29	541,279,205	738,126,095
	Secured - City and County Assessor.....		340,439,080	492,967,440	13,490,816	46,503,530	800,393,806	6.19	9,174,744	809,568,550
	Secured - State Board of Equalization.....		15,762,340	66,620,930	41,853,110	.....	124,236,380	6.19	58,641,660	182,878,040
	Total.....		\$356,201,420	\$559,588,370	\$254,433,380	\$48,746,094	\$1,121,477,076		\$609,095,609	\$1,730,572,685
1952-53	Unsecured - City and County Assessor...				220,812,645	2,086,937	218,725,708	6.19	571,045,856	789,771,564
	Secured - City and County Assessor.....		348,660,965	530,992,235	12,794,831	44,981,574	847,466,457	5.67	8,388,619	855,855,076
	Secured - State Board of Equalization.....		16,714,810	67,703,770	44,590,910	.....	129,009,490	5.67	50,655,040	179,664,530
	Total.....		\$365,375,775	\$598,696,005	\$278,198,386	\$47,068,511	\$1,195,201,655		\$630,089,515	\$1,825,291,170
1953-54	Unsecured - City and County Assessor...				232,302,098	2,014,395	230,287,703	5.67	598,586,730	828,874,433
	Secured - City and County Assessor.....		350,820,577	548,705,058	8,114,636	49,911,533	857,728,738	6.27	5,772,285	863,501,023
	Secured - State Board of Equalization.....		16,799,640	68,685,230	47,872,160	.....	133,357,030	6.27	59,152,340	192,509,370
	Total.....		\$367,620,217	\$617,390,288	\$288,288,894	\$51,925,928	\$1,221,373,471		\$663,511,355	\$1,884,884,826
1954-55	Unsecured - City and County Assessor...				233,165,805	2,385,376	230,780,429	6.27	658,769,128	889,549,557
	Secured - City and County Assessor.....		351,797,115	562,069,670	9,133,322	53,599,964	869,400,143	6.85	11,636,238	881,036,381
	Secured - State Board of Equalization.....		16,750,680	72,376,320	49,673,340	.....	138,800,340	6.85	55,227,520	194,027,860
	Total.....		\$368,547,795	\$634,445,990	\$291,972,467	\$55,985,340	\$1,238,980,912		\$725,632,886	\$1,964,613,798
1955-56	Unsecured - City and County Assessor...				235,577,529	2,253,342	233,324,187	6.85	715,284,484	948,608,671
	Secured - City and County Assessor.....		353,884,456	582,012,805	9,090,434	54,527,921	890,459,774	7.02	7,918,999	898,378,773
	Secured - State Board of Equalization.....		16,950,530	74,539,330	48,923,710	.....	140,413,570	7.02	58,884,680	199,298,250
	Total.....		\$370,834,986	\$666,552,135	\$293,591,673	\$56,781,263	\$1,264,197,531		\$782,088,163	\$2,046,285,694
1956-57	Unsecured - City and County Assessor...				251,560,750	2,791,077	248,769,673	7.02	796,204,793	1,045,064,464
	Secured - City and County Assessor.....		353,996,820	606,234,380	8,902,349	57,862,613	911,270,936	7.06	8,651,591	919,922,527
	Secured - State Board of Equalization.....		18,011,480	77,302,980	50,165,830	.....	145,480,290	7.06	54,914,560	200,394,850
	Total.....		\$372,008,300	\$683,537,360	\$310,628,929	\$60,653,692	\$1,305,520,897		\$859,860,944	\$2,165,381,841

CITY AND COUNTY OF SAN FRANCISCO  
DETAIL OF TAX RATES

Fiscal Years 1947-48 to 1956-57

	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57
General Fund - Charter Limit \$1.65 .....	1.228896	1.126318	1.261335	1.288331	1.181879	1.100226	1.127311	1.026134	.976736	1.118449
General Fund - Other Necessary Expenditures Not Limited .....	1.332376	1.415456	1.320391	1.481594	1.446522	1.351770	1.738365	2.111081	2.202325	2.197722
Unified School District .....	1.366733	1.645139	1.299661	1.562837	1.702265	1.608920	1.682564	1.569888	1.754236	1.972106
Recreation .....	1.28131	1.39433	1.26423	.....	.....	.....	.....	.....	.....	.....
Park .....	1.194877	1.272223	1.203699	.....	.....	.....	.....	.....	.....	.....
Recreation and Park .....	.....	.....	.....	.333286	.308968	.300406	.333419	.308652	.342745	.386349
Library .....	.079649	.085277	.079214	.103886	.083429	.084568	.086696	.093976	.103168	.101886
Employees' Retirement .....	.607937	.572093	.761183	.728602	.768251	.727307	.774782	.868473	.858667	.942984
Bond Interest and Redemption .....	.427027	.345373	.232312	.257541	.225908	.166542	.184849	.309244	.287207	.020527
de Young Museum .....	.024749	.046452	.019540	.041135	.020559	.025020	.035008	.023888	.025787	.031897
California Palace of the Legion of Honor .....	.015741	.021058	.015458	.015651	.017172	.016888	.018072	.018568	.017771	.018213
War Memorial .....	.014676	.019291	.017742	.021101	.016755	.017447	.017548	.018690	.018530	.021774
Publicity and Advertising .....	.031683	.027403	.026161	.026698	.024423	.022763	.022529	.021227	.020999	.020228
Tax Judgments .....	.....	.....	.....	.....	.....	.....	.....	.....	.002842	.....
Child Care Centers .....	.....	.....	.....	.....	.008818	.014731	.016049	.008877	.014446	.015999
Special Election Fund .....	.006512	.....	.....	.000100	.....	.000267	.....	.....	.....	.....
Bay Area Air Pollution Control Dist. ....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.004128
Lighting Public Streets and Buildings .....	1.30660	1.29071	.093146	.103213	.094888	.095479	.106698	.103809	.099317	.104257
Airport .....	.030353	.030325	.203735	.190286	.118155	.137666	.116020	.161256	.040926	.004129
Municipal Railway .....	.....	.215088	.....	.119469	.170008	.....	.....	.206237	.254298	.099352
P. U. C. Purchase of California St. Cable R. R. Co. ....	.....	.....	.....	.016870	.....	.....	.....	.....	.....	.....
Contribution to Purchase Buano Forest .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total Levy .....	5.62	6.09	5.66	6.29	6.19	5.67	6.27	6.85	7.02	7.06

## PERCENTAGES OF TAX DELINQUENCY

FOR FISCAL YEARS ENDING

%	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956
2																	
1																	

Fiscal Year	Amount \$1,000	Uncollected at June 30, Amount	Uncollected at June 30, %
1931-32	\$32,714,463	\$718,830	2.20
1932-33	31,752,726	1,706,591	5.37
1933-34	26,593,270	1,316,809	4.95
1934-35	28,808,183	958,096	3.33
1935-36	30,634,662	612,794	2.00
1936-37	30,986,643	449,704	1.45
1937-38	31,944,075	483,081	1.50
1938-39	33,337,812	442,132	1.32
1939-40	32,675,922	390,407	1.19
1940-41	35,162,785	367,339	1.04
1941-42	36,465,225	394,994	.97
1942-43	37,469,053	288,158	.76
1943-44	36,797,771	254,508	.69
1944-45	39,647,406	282,652	.66
1945-46	41,184,389	380,975	.93
1946-47	47,374,328	457,779	.97
1947-48	51,718,354	602,680	1.17
1948-49	60,779,270	669,631	1.10
1949-50	60,858,563	567,617	.93
1950-51	66,222,057	537,393	.81
1951-52	70,596,215	561,703	.80
1952-53	69,847,162	539,325	.77
1953-54	76,382,542	716,630	.94
1954-55	84,509,028	724,612	.86
1955-56	89,390,675	799,165	.89

CITY AND COUNTY OF SAN FRANCISCO  
AMOUNTS OF TAX LEVIES AND DELINQUENCIES  
Fiscal Years 1931-32 to 1955-56

Fiscal Year	Amount \$1,000	Uncollected at June 30, Amount	Uncollected at June 30, %
1931-32	\$32,714,463	\$718,830	2.20
1932-33	31,752,726	1,706,591	5.37
1933-34	26,593,270	1,316,809	4.95
1934-35	28,808,183	958,096	3.33
1935-36	30,634,662	612,794	2.00
1936-37	30,986,643	449,704	1.45
1937-38	31,944,075	483,081	1.50
1938-39	33,337,812	442,132	1.32
1939-40	32,675,922	390,407	1.19
1940-41	35,162,785	367,339	1.04
1941-42	36,465,225	394,994	.97
1942-43	37,469,053	288,158	.76
1943-44	36,797,771	254,508	.69
1944-45	39,647,406	282,652	.66
1945-46	41,184,389	380,975	.93
1946-47	47,374,328	457,779	.97
1947-48	51,718,354	602,680	1.17
1948-49	60,779,270	669,631	1.10
1949-50	60,858,563	567,617	.93
1950-51	66,222,057	537,393	.81
1951-52	70,596,215	561,703	.80
1952-53	69,847,162	539,325	.77
1953-54	76,382,542	716,630	.94
1954-55	84,509,028	724,612	.86
1955-56	89,390,675	799,165	.89

H. D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO  
TAX YIELD  
FISCAL YEAR 1956-57

Taxes on property assessed by City & County:	<u>VALUATION</u>	<u>TAX YIELD</u>	<u>RATE PER \$100</u>
Real Estate, Improvements, and Secured Personal Property:			
Real Estate and Improvements	\$ 960,231,200		
Tangible Personal Property	8,902,349		
Less Veterans' and Welfare Exemptions	<u>57,862,613</u>		
	911,270,936	\$ 64,335,971.46	7.06
Solvent Credits	<u>8,651,591</u>	<u>8,649.26</u>	.10
Total	<u>919,922,527</u>	<u>64,344,620.72</u>	
Unsecured Personal Property (Collected):			
Tangible Personal Property	108,840,208		
Less Veterans' and Welfare Exemptions	<u>2,318,324</u>		
	106,521,884	7,477,895.24	7.02
Solvent Credits	<u>479,709,081</u>	<u>479,716.18</u>	.10
Total	<u>586,230,965</u>	<u>7,957,611.42</u>	
Unsecured Personal Property (Uncollected):			
Tangible Personal Property	142,720,542		
Less Veterans' and Welfare Exemptions	<u>472,755</u>		
	142,247,787	9,985,812.29	7.02
Solvent Credits	<u>316,585,712</u>	<u>316,589.54</u>	.10
Total	<u>458,833,499</u>	<u>10,302,401.83</u>	
Total Assessed by City and County Assessor	\$ 1,964,986,991	\$ 82,604,633.97	
Taxes on property Assessed by State Board of Equalization:			
Real Estate and Improvements	95,314,460		
Tangible Personal Property	50,165,830	10,270,908.54	7.06
Solvent Credits	<u>54,914,560</u>	<u>54,914.56</u>	.10
Total Assessed by State Board of Equalization	<u>\$200,394,850</u>	<u>\$10,325,823.10</u>	
Total of above Assessments	<u>\$2,165,381,841</u>		
TOTAL TAX YIELD 1956-57		<u>\$92,930,457.07</u>	

## CITY AND COUNTY OF SAN FRANCISCO

## STATEMENT OF BONDING CAPACITY

AT JUNE 30, 1956

## Maximum Limit:

12% of 1956-57 Assessment Roll (\$2,165,381,841) \$259,845,821

Bonded Debt Not Matured June 30, 1956

Total	\$177,079,000	
Exempt from 12% Limit (a)	<u>62,571,000</u>	<u>114,508,000</u>

Limit of Future Bond Sales (Subject to 12% Limit)	<u>\$145,337,821</u>
---	----------------------

Unissued (Unsold) Bonds, June 30, 1956:

	Subject to <u>12% Limit</u>	Exempt from <u>12% Limit</u>	<u>Total</u>
1947 Street Improvement	\$ 5,700,000		
1947 Off-Street Parking	2,000,000		
1947 Recreation	1,170,000		
1948 Sewage Treatment	450,000		
1948 Schools	990,000		
1952 Firehouse	1,950,000		
1954 Sewers	10,145,000		
1954 Exhibit Hall	3,275,000		
1954 Recreation Center	5,000,000		
1954 S. F. Hospital	4,330,000		
1954 Laguna Honda Home & Hospital	2,975,000		
1955 Hetch Hetchy Power	54,000,000		
1955 Playgrounds & Recreation Centers	7,000,000		
1956 Hall of Justice	19,475,000		
	<u>\$118,460,000</u>	<u>- 0 -</u>	<u>\$118,460,000</u>

- (a) Section 104 of the Charter provides that the bonded debt shall not exceed 12% of the assessed value of all real and personal property in the City and County subject to the City and County taxes, exclusive of bonds issued for the following purposes:

For water supply, storage, or distribution purposes.

For financing public improvements, the cost of which is to be assessed against private property benefited thereby. (To date no such bonds have been issued.)

CITY AND COUNTY OF SAN FRANCISCO  
ANNUAL BOND INTEREST AND REDEMPTION REQUIREMENTS  
BASED UPON BONDED INDEBTEDNESS AT JUNE 30, 1956

General City, Including  
S. F. Unified School District

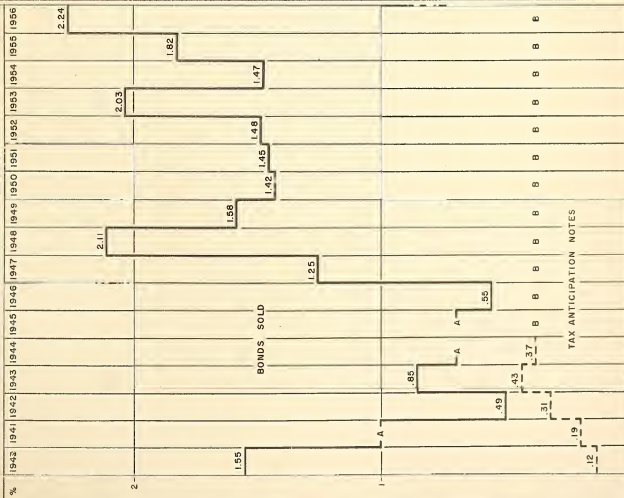
Public Service Enterprises

Fiscal Year	Grand Total	General City, Including S. F. Unified School District			Public Service Enterprises		
		Total	Redemption	Bond Interest	Total	Redemption	Bond Interest
1956-57	\$20,754,771.25	\$9,202,695.00	\$7,407,000	\$1,795,695.00	\$11,552,076.25	\$8,951,000	\$2,601,076.25
1957-58	19,914,241.25	9,213,661.25	7,582,000	1,631,661.25	10,700,380.00	8,314,000	2,386,380.00
1958-59	19,724,667.50	9,227,325.00	7,761,000	1,466,325.00	10,497,342.50	8,334,000	2,163,342.50
1959-60	19,325,371.25	9,173,798.75	7,866,000	1,307,798.75	10,151,572.50	8,214,000	1,937,572.50
1960-61	18,143,256.25	9,115,923.75	7,976,000	1,139,923.75	9,027,332.50	7,314,000	1,713,332.50
1961-62	17,556,498.75	9,124,011.25	8,141,000	983,011.25	8,432,487.50	6,930,000	1,502,487.50
1962-63	17,297,938.75	9,075,053.75	8,245,000	830,053.75	8,222,885.00	6,929,000	1,293,885.00
1963-64	16,301,425.00	8,721,172.50	8,047,000	674,172.50	7,580,252.50	6,496,000	1,084,252.50
1964-65	14,600,150.00	7,917,525.00	7,652,000	525,525.00	6,422,625.00	5,531,000	891,625.00
1965-66	12,248,848.75	7,914,897.50	7,521,000	393,897.50	4,333,951.25	3,593,000	740,951.25
1966-67	7,589,318.75	4,215,137.50	3,960,000	255,137.50	3,374,181.25	2,750,000	624,181.25
1967-68	7,104,266.25	3,839,975.00	3,670,000	169,975.00	3,264,311.25	2,750,000	514,311.25
1968-69	5,103,510.00	2,537,187.50	2,430,000	107,187.50	2,566,322.50	2,160,000	406,322.50
1969-70	3,912,277.50	1,801,312.50	1,740,000	61,312.50	2,110,965.00	1,800,000	310,965.00
1970-71	3,069,570.00	1,140,087.50	1,115,000	25,087.50	1,929,482.50	1,700,000	229,482.50
1971-72	775,500.00				775,500.00	600,000	175,500.00
1972-73	748,500.00				748,500.00	600,000	148,500.00
1973-74	721,500.00				721,500.00	600,000	121,500.00
1974-75	694,500.00				694,500.00	600,000	94,500.00
1975-76	667,500.00				667,500.00	600,000	67,500.00
1976-77	640,500.00				640,500.00	600,000	40,500.00
1977-78	613,500.00				613,500.00	600,000	13,500.00
	\$207,507,631.25	\$102,479,763.75	\$91,113,000	\$11,366,763.75	\$105,027,867.50	\$85,966,000	\$19,061,867.50

Unsold Bonds at June 30, 1956 in the amount of \$118,460,000 are not included.



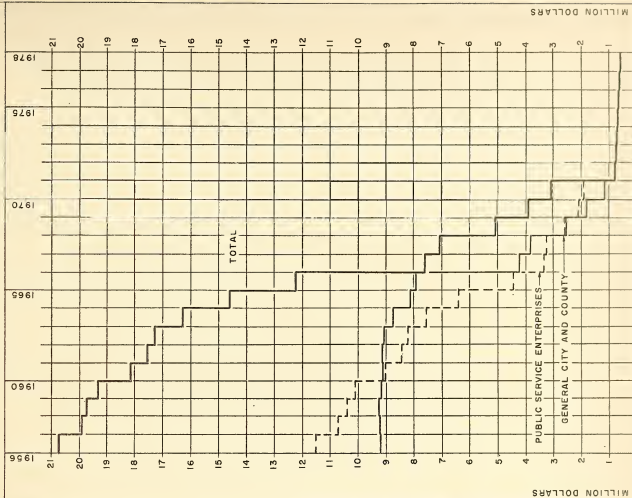
## AVERAGE NET INTEREST COST

ON BONDS AND TAX ANTICIPATION NOTES  
SOLD DURING FISCAL YEARS ENDING

H. D. ROSS, CONTROLLER

## BOND INTEREST AND REDEMPTION

REQUIREMENTS FOR FISCAL YEARS ENDING



H. D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO  
BOND INTEREST AND REDEMPTION  
FUNDING STATEMENT

Fiscal Years 1947-48 to 1956-57

FISCAL YEAR ENDED JUNE 30

SOURCE OF REVENUES:

General City Issues:

	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957
Taxes .....	\$ 4,017,955	\$ 3,596,089	\$ 2,650,025	\$ 2,690,858	\$ 2,595,777	\$ 2,120,382	\$ 2,215,536	\$ 3,544,397	\$ 3,682,287	\$ 931,400
Special Road Improvement Fund ..	88,200	.....	.....	.....	.....	.....	.....	.....	.....	.....
Capital Improvement Fund .....	516,250	1,719,797	3,228,497	3,996,069	4,591,367	5,017,833	5,052,863	4,912,189	5,056,962	8,396,295
Surplus .....	.....	.....	136,932	.....	.....	.....	.....	.....	.....	.....
	4,622,405	5,315,886	6,015,454	6,686,927	7,187,144	7,138,215	7,268,399	8,456,586	8,739,249	9,327,695

Public Service Enterprises:

Utility Earnings:

Water Department .....	5,610,412	6,250,831	6,520,270	6,607,787	6,466,282	6,522,665	6,441,567	6,884,397	6,880,615	6,743,649
Hech Hetchy Project .....	1,505,373	1,367,307	1,161,340	1,273,059	1,391,671	1,371,771	1,361,727	875,594	705,299	610,130
Municipal Railway .....	127,500	868,771	1,231,388	315,722	.....	1,849,107	1,861,459	.....	.....	.....
Airport .....	.....	.....	.....	124,584	366,099	437,912	663,500	433,830	1,502,010	1,196,939
Capital Improvement Fund (via Utility)	1,162,500	2,358,085	1,166,765	968,202	620,151	.....	.....	.....	.....	2,992,167
Taxes (via Utility) .....	294,710	289,855	1,665,360	3,105,818	2,827,350	1,602,725	1,466,892	3,753,012	2,634,376	145,442
	8,700,495	11,134,849	11,745,123	12,395,172	11,671,553	11,784,180	11,795,145	11,946,833	11,722,300	11,688,327
Total Budgeted Requirements .....	\$13,322,900	\$16,450,735	\$17,760,577	\$19,082,099	\$18,858,697	\$18,922,395	\$19,063,544	\$20,403,419	\$20,461,549	\$21,016,022



# Office of the Controller



REPORT AND FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED

JUNE 30, 1956



# LINDQUIST, VON HUSEN AND JOYCE

CERTIFIED PUBLIC ACCOUNTANTS

332 PINE STREET

SAN FRANCISCO 4

YUKON 2-0366

RUDOLPH E. LINDQUIST  
FRED J. VON HUSEN  
JOHN F. JOYCE  
NORMAN THOMAS

October 29, 1956

The Honorable Board of Supervisors  
City and County of San Francisco  
San Francisco, California

Gentlemen:

In accordance with your resolution No. 16,404, we have examined the books of account, records and transactions of the Office of the Controller of the City and County of San Francisco for the year ended June 30, 1956, and submit herewith the following statements:

## Exhibit

- A Combined proprietary balance sheet, June 30, 1956
- B Proprietary balance sheet, Public Service Enterprises, June 30, 1956
- C Statement of revenues, expenditures and current surplus, General City, June 30, 1956
- D Statement of revenues, expenses, and surplus, Public Service Enterprises, June 30, 1956
- E Statement of capital surplus, General City, June 30, 1956
- F Summary of fixed assets, June 30, 1956
- G Statement of bonded indebtedness, June 30, 1956
- Individual fund balance sheets, June 30, 1956:
  - H Summary
  - I Current Funds
  - J Capital
  - K Retirement and other public trust funds
  - L Private trust funds
  - M Assessment and redemption funds
  - M Agency funds
  - N Public Service Enterprises
  - O Reconciliation of proprietary balance sheet with funds balance sheet, June 30, 1956

## SCOPE OF EXAMINATION

Proprietary accounts for the Public Service Enterprises are not maintained in the Office of the Controller but are maintained in the offices of the several enterprises. Examination of these accounts are made by other auditors as follows:

By other independent public accounts:

Municipal Railway of San Francisco

San Francisco Water Department and Hetch Hetchy Project

By the Controller's Utilities Audit Division:

Public Utilities Commission

San Francisco Airport

Our examination of the books and accounts relating to the Office of the Controller was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records maintained in the Office of the Controller and such other auditing procedures as we considered necessary in the circumstances; we did not extend our tests to records of other offices. However, in the preparation of the accompanying combined proprietary balance sheet and the statement of revenues, expenses and surplus of the Public Service Enterprises we have incorporated data from reports of examination made as at June 30, 1956, by other auditors, except that the data covering the Public Utilities Commission included in this report was taken from unaudited statements furnished to us by the Public Utilities Audit Division and the Controller's Office because the audited report of the Public Utilities Commission was not completed at the date of this report.

Also, in the preparation of other phases of this report, we have necessarily incorporated data from reports of examination made as at June 30, 1956, by other auditors as follows:

By other independent public accountants:

San Francisco Unified School District (a separate political entity)

City and County of San Francisco Employees'

Retirement System

By the Controller's General Audit Division:

Cash, securities and accounts of the Treasurer's Office

OPINION

In our opinion, based on the scope of examination previously described, the accompanying financial statements, together with the notes thereto, present fairly the position at June 30, 1956 and the results of operations for the year then ended of the City and County of San Francisco and the San Francisco Unified School District, in conformity with generally accepted principles of accounting applied on a basis consistent with that of the preceding year.

Yours very truly,

*Lindquist, von Husen and Joyce*  
LINDQUIST, VON HUSEN AND JOYCE

CITY AND COUNTY OF SAN FRANCISCO AND  
SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
COMBINED PROPRIETARY BALANCE SHEET

JUNE 30, 1956

	General City and County				Trust and Assessment Funds
	Total	Public Service Enterprises	Total	Current Funds	Capital Funds
<u>ASSETS</u>					
<u>FIXED CAPITAL:</u>					
Properties (Exhibit F)	\$719,260,651	\$330,513,655	\$388,746,996	\$388,746,996	
Less: Reserve for Depreciation	102,481,370	102,481,370			
	<u>616,779,281</u>	<u>228,032,285</u>	<u>388,746,996</u>		<u>388,746,996</u>
<u>CASH:</u>					
On deposit with treasurer	88,168,291	17,519,879	70,648,412	\$42,304,254	\$ 8,513,625
Cash in transit	2,223,770	2,684	2,221,086	898	2,220,168
Imprest Funds	102,900	52,650	50,250		
	<u>90,494,961</u>	<u>17,575,213</u>	<u>72,919,748</u>	<u>42,355,402</u>	<u>10,733,813</u>
<u>ACCOUNTS RECEIVABLE:</u>					
Taxes receivable, current year	799,165		799,165	799,165	
Taxes receivable, prior years	2,025,310		2,025,310	2,025,310	
Penalties, costs, and interest	248,624		248,624	248,624	
Franchise taxes	877,328		877,328	877,328	
Federal and state subventions	3,356,796		3,356,796	3,356,796	
Other accounts receivable	5,551,762	1,620,213	3,931,549	2,602,460	800
	<u>12,898,995</u>	<u>1,620,213</u>	<u>11,238,772</u>	<u>9,909,693</u>	<u>800</u>
Less reserves for:					
Unsecured delinquent taxes and penalties	2,130,003		2,130,003	2,130,003	
Other accounts receivable	1,077,030	55,911	1,021,119	1,021,119	800
	<u>3,207,033</u>	<u>55,911</u>	<u>3,151,122</u>	<u>3,150,322</u>	<u>800</u>
	<u>9,651,952</u>	<u>1,564,302</u>	<u>8,087,650</u>	<u>6,759,361</u>	<u>-0-</u>
<u>FEDERAL AID FOR PUBLIC IMPROVEMENTS:</u>					
Grants receivable (estimated)	1,214,892	89,414	1,125,478	1,125,478	
Less: Reserve for grants receivable (estimated)	1,214,892	89,414	1,125,478	1,125,478	
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	
<u>INVESTMENTS:</u>					
Securities	176,997,605		176,997,605		176,997,605
Other	55,990		55,990		55,990
	<u>177,053,595</u>		<u>177,053,595</u>		<u>177,053,595</u>
<u>LEASE GUARANTEE AND OTHER DEPOSITS</u>					
	127,475		127,475		127,475
<u>INTERFUND ACCOUNTS (CONTRA)</u>					
DEFERRED CHARGES:					
Materials and supplies	4,312,534	920,002	3,392,532	2,758,325	634,207
Other deferred charges	2,221,659	1,234,692	986,967	986,967	
	<u>12,265,899</u>	<u>3,799,431</u>	<u>8,464,468</u>	<u>79,345</u>	<u>8,385,123</u>
	<u>14,485,558</u>	<u>5,034,123</u>	<u>9,451,435</u>	<u>1,066,312</u>	<u>8,385,123</u>
	<u>\$912,905,356</u>	<u>\$253,125,925</u>	<u>\$659,779,431</u>	<u>\$52,939,400</u>	<u>\$416,962,652</u>
					<u>\$139,877,370</u>

CITY AND COUNTY OF SAN FRANCISCO AND  
SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
COMBINED PROPRIETARY BALANCE SHEET

JUNE 30, 1956

LIABILITIES

BONDED DEBT:

Matured  
Unmatured (Exhibit C)

\$ 27,200  
177,079,000  
177,106,200

\$ 24,200  
85,956,000  
85,990,200

\$ 3,000  
91,113,000  
91,116,000

BOND INTEREST:

Matured  
Accrued, not due

61,798  
1,725,624  
1,787,422

52,295  
1,150,813  
1,203,108

9,503  
574,811  
584,314

ACCOUNTS PAYABLE:

Accounts and contracts payable  
Outstanding warrants and payroll deductions  
Other accruals and deposits

23,129,581  
3,794,536  
258,019

4,664,249  
493,874  
258,019

18,465,332  
3,300,662  
21,765,994

INTERFUND ACCOUNTS (CONTRA)

RESERVES:

Reserve for accidents  
Other reserves

2,555,595  
977,559  
3,573,154

2,595,595  
805,323  
3,400,918

172,236  
172,236  
172,236

DEFERRED CREDITS:

Personal property taxes for year 1956-57  
Other deferred credits

5,172,365  
2,115,193  
7,287,558

536,600  
536,600  
1,073,200

5,172,365  
1,278,593  
6,750,958

TRUST AND ASSESSMENT FUND BALANCES

SURPLUS:

Public Service Enterprises

General city - current

General city - capital (not available  
for meeting general city current  
expense)

154,551,642  
32,963,643  
187,556,368

154,551,642  
154,551,642  
309,103,284

32,963,643  
32,963,643  
65,927,286

	General City and County			Trust and Assessment Funds
	Total	Public Service Enterprises	Current Funds	Capital Funds
	\$ 27,200	\$ 24,200	\$ 3,000	
	177,079,000	85,956,000	200,000	\$ 90,913,000
	177,106,200	85,990,200	203,000	90,913,000
	61,798	52,295	9,503	
	1,725,624	1,150,813	574,811	
	1,787,422	1,203,108	584,314	
	23,129,581	4,664,249	9,675,109	8,321,891
	3,794,536	493,874	1,731,233	73,062
	258,019	258,019		
	27,182,136	2,416,142	11,406,362	8,394,953
	4,312,534	2,027,315	286,362	1,070,000
	2,555,595	2,595,595	144,761	
	977,559	805,323		
	3,573,154	3,400,918	144,761	
	5,172,365	536,600	5,172,365	
	2,115,193		1,278,593	
	7,287,558	536,600	6,750,958	
	187,556,368	187,556,368		187,556,368
	154,551,642	154,551,642	32,963,643	
	32,963,643			316,584,699
				316,584,699
	316,594,699			\$416,942,652
	304,099,984	154,551,642	32,963,643	
	\$912,905,356	\$253,125,925	\$52,939,400	\$189,877,379

## EXHIBIT B

## CITY AND COUNTY OF SAN FRANCISCO

## PUBLIC SERVICE ENTERPRISES

## PROPRIETARY BALANCE SHEET

JUNE 30, 1956

## ASSETS

## FIXED CAPITAL:

In service  
Not in service  
Less: Reserve for depreciation

Under construction

## CASH:

On deposit with Treasurer  
Cash in transit  
Imprest funds

## ACCOUNTS RECEIVABLE:

Revenues accrued and other receivables  
Less: Reserve for other receivables

## FEDERAL AID FOR PUBLIC IMPROVEMENT:

Grants receivable (Estimated)  
Less: Reserve for grants receivable

## INTERFUND ACCOUNTS:

Due from General City  
Due from Public Service Enterprises (contra.)

## DEFERRED CHARGES:

Materials and supplies  
Other deferred charges

## TOTAL ASSETS

## Total

Water-  
DepartmentMunicipal  
RailwayHetch  
Hetchy  
ProjectSan Francisco  
AirportPublic  
Utilities  
Commission

\$326,085,380  
905,734  
(102,462,310)

225,309,744  
2,682,541

220,032,285

17,519,879  
2,684  
52,650

17,575,213

1,620,213  
55,911

1,564,302

89,414  
89,414

-0-

505,020  
414,982

920,002

1,234,692  
3,759,411

5,034,123

\$253,125,995

\$100,281,665  
33,694,692

67,444,016  
1,220,064

68,673,080

6,957,217  
30,000

6,987,217

1,027,920  
12,429

1,015,491

506,814  
1,656,287

2,143,101

\$ 78,822,258

\$39,574,112  
(23,612,502)

16,061,610  
301,944

16,363,554

3,832,229  
15,000

3,847,229

55,236  
55,236

19,068  
14,891

33,959

651,766  
1,031,212

1,682,978

\$21,982,956

\$133,119,481  
58,691

(25,887,646)

97,590,526  
3,069,050

58,659,576

1,614,399  
2,684

4,621,083

173,858  
173,858

89,414  
89,414

-0-

985  
289,355

290,340

51,900  
901,273

953,173

\$104,668,072

\$50,115,221  
(7,887,359)

42,258,962  
22,463

42,281,415

1,512,364  
2,500

1,514,864

355,163  
35,446

319,717

89,414  
89,414

-0-

3,069  
679

3,748

14,140  
222,273

236,413

\$44,356,187

\$5,753,304  
(1,698,671)

2,054,630

2,054,630

603,670  
1,150

604,820

8,036  
8,036

-0-

481,898  
106,698

588,596

10,072  
8,384

18,456

\$3,266,492



## CITY AND COUNTY OF SAN FRANCISCO

## PUBLIC SERVICE ENTERPRISES

## PROPRIETARY BALANCE SHEET

JUNE 30, 1976

EXHIBIT B

	LIABILITIES	Total	Warrants Issued After June 30, 1976	Total Before Adjustments	Water Department	Municipal Railway	Betch Betch Project	San Francisco Airport	Public Utilities Commission
<b>FOUNDED DEBT:</b>									
Unmatured		\$ 85,566,000		\$ 85,566,000	\$15,000,000	\$12,269,000	\$ 47,571,000	\$11,156,000	
Matured and unpaid		20,200		20,200	15,000	200	47,580,000	11,156,000	
		<u>85,586,200</u>		<u>85,586,200</u>	<u>15,015,000</u>	<u>12,269,200</u>			
<b>BOND INTEREST:</b>									
Accrued, not due		1,150,813		1,150,813	337,500	86,342			
Matured and unpaid		56,252		56,252	1,520	1,520			
		<u>1,207,065</u>		<u>1,207,065</u>	<u>344,520</u>	<u>87,862</u>			
<b>ACCOUNTS PAYABLE:</b>									
Accounts and contracts payable		4,660,249		3,506,130	1,742,338	396,756	1,139,741	214,508	\$ 8,787
Outstanding warrants and payroll deductions		192,874		1,849,455	287,274	931,144	221,067	85,011	323,599
Accruals due United States Government		33,639		33,639		33,639			
Accrued payrolls		3,704		3,704					
Consumers' deposits and advances		222,672		222,672	222,672				
		<u>5,110,142</u>		<u>5,614,504</u>	<u>2,256,288</u>	<u>1,165,313</u>	<u>1,360,800</u>	<u>299,512</u>	<u>332,116</u>
<b>INTERFUND ACCOUNTS:</b>									
Due to General City		1,612,333		1,612,333	72,288	197,520	275,114	562,618	504,493
Due to Public Service Enterprises (contra)		<u>415,282</u>		<u>216,320</u>	<u>60,624</u>	<u>70,114</u>	<u>15,613</u>	<u>16,720</u>	<u>3,222</u>
		<u>2,027,115</u>		<u>1,826,013</u>	<u>132,912</u>	<u>267,634</u>	<u>290,727</u>	<u>579,338</u>	<u>507,715</u>
<b>EXPENSE CREDITS</b>		<u>536,600</u>		<u>536,600</u>		<u>8,206</u>		<u>251,216</u>	<u>277,138</u>
<b>RESERVES:</b>									
Reserve for accidents		2,595,595		2,595,595					
Other reserves		<u>535,323</u>		<u>60,323</u>	<u>631,509</u>	<u>145,521</u>	<u>27,302</u>		<u>3,121</u>
		<u>3,400,918</u>		<u>3,400,918</u>	<u>631,509</u>	<u>2,738,586</u>	<u>27,302</u>		<u>3,121</u>
<b>Total Liabilities</b>		<u>98,571,283</u>		<u>98,571,283</u>	<u>18,400,289</u>	<u>16,737,197</u>	<u>49,990,451</u>	<u>12,325,149</u>	<u>2,135,555</u>
<b>SURPLUS (Exhibit D)</b>		<u>154,351,612</u>		<u>154,351,612</u>	<u>5,285,779</u>	<u>5,285,779</u>	<u>54,707,261</u>	<u>32,638,732</u>	<u>2,135,555</u>
<b>TOTAL LIABILITIES AND SURPLUS</b>		<u>423,125,995</u>		<u>423,125,995</u>	<u>78,682,298</u>	<u>421,982,596</u>	<u>104,698,012</u>	<u>44,365,187</u>	<u>43,265,102</u>

CITY AND COUNTY OF SAN FRANCISCO  
(Exclusive of Public Service Enterprises)

EXHIBIT C  
(CONTINUED)

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CURRENT SURPLUS

	<u>Year Ended</u>	
	<u>June 30, 1956</u>	<u>June 30, 1955</u>
<u>REVENUES:</u>		
Property taxes, penalties, interest and costs	\$ 89,361,418	\$ 84,448,841
State and Federal subventions	45,060,043	43,275,125
Departmental service charges, etc.	8,278,907	7,757,720
Retail purchase and use tax	5,603,569	5,124,681
Fines, forfeitures, and penalties other than from property taxes	2,859,703	2,637,894
Franchise taxes	1,263,085	1,174,220
Licenses	665,078	636,810
Bank interest	518,865	507,011
Rentals from non-operating school property	356,767	356,863
Housing authority in lieu of taxes	143,779	190,569
Other	88,143	86,891
Transfer from capital accounts	608,416	17,427
Transfer from trust accounts		1,274
Profit on sale of land and improvements		51,144
Capital additions through donations		20,000
Total revenues	<u>\$154,807,773</u>	<u>\$146,286,470</u>
<u>EXPENDITURES:</u>		
Departmental operating expenses (adjusted for inventories and other deferred charges):		
General government	10,250,985	9,909,585
Public safety	22,057,205	22,004,765
Highways	3,450,138	3,287,857
Sanitation	3,486,355	3,324,461
Health conservation	2,918,451	2,806,125
Hospitals	7,858,224	7,738,386
Public welfare	23,470,816	22,450,499
Corrections	2,184,814	2,106,164
Schools	33,965,430	32,027,730
Libraries	1,168,106	1,105,315
Recreation	5,824,208	5,580,062
Civil defense	185,934	186,730
Bond interest	1,669,775	1,594,498
Miscellaneous	162,653	190,675
Total departmental operating expenses	<u>\$118,653,094</u>	<u>\$114,312,853</u>
Other expenditures:		
Transfers to capital accounts:		
Capital additions from revenues	5,500,062	5,237,613
Bond redemptions	6,888,000	6,694,000
Others	10,582	219,986
Forward	<u>\$131,051,738</u>	<u>\$126,464,452</u>

CITY AND COUNTY OF SAN FRANCISCO  
(Exclusive of Public Service Enterprises)

EXHIBIT C  
(CONCLUDED)

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CURRENT SURPLUS

	<u>Year Ended</u>	
	<u>June 30, 1956</u>	<u>June 30, 1955</u>
<u>EXPENDITURES (Continued):</u>		
Amounts forwarded	\$131,051,738	\$126,464,452
Other expenditures (continued):		
Pension costs, Employees' Retirement System	15,325,584	13,761,938
Assessments, Joint Highway Districts No. 9 and		
No. 10	132,000	336,113
Contribution, Butano Forest purchase	(100,000)	100,000
Contributions to Public Service Enterprises:		
San Francisco International Airport	795,774	1,890,856
Municipal Railway	3,098,178	2,932,848
Public Utilities Commission - heat, light		
and power bureau	210,319	145,615
Loss on sale of fireboats		254,174
Miscellaneous	<u>53,572</u>	<u>(1,375,246)</u>
Total expenditures	<u>150,567,165</u>	<u>144,510,750</u>
<u>NET INCREASE IN CURRENT SURPLUS</u>	<u>\$ 4,240,608</u>	<u>\$ 1,775,720</u>
<u>CURRENT SURPLUS:</u>		
Current surplus as shown at beginning of year, per Controller's report	\$ 28,419,317	\$ 26,772,545
Add: Auditor's adjustment - preceding year	<u>303,718</u>	<u>174,770</u>
Current surplus at beginning of fiscal year after auditor's adjustment	28,723,035	26,947,315
Net increase in current surplus as shown above	<u>4,240,608</u>	<u>1,775,720</u>
<u>CURRENT SURPLUS, END OF FISCAL YEAR</u>	<u>\$ 32,963,643</u>	<u>\$ 28,723,035</u>

## CITY AND COUNTY OF SAN FRANCISCO

EXHIBIT D

## PUBLIC SERVICE ENTERPRISES

## STATEMENT OF REVENUES EXPENSES AND SURPLUS

JUNE 30, 1956

## REVENUES AND EXPENSES

## OPERATING REVENUES

## OPERATING EXPENSES

Operating income or (loss)

## OTHER REVENUES:

Interest earned  
Rentals  
Other

## OTHER EXPENSES:

Bond interest  
Other

## NET INCOME OR (LOSS)

## SURPLUS

Balance, June 30, 1955

Adjustments, 1954-55

Adjusted balance, June 30, 1955

Net income or (loss) as above

Contributions from General City

Contributions from Public Service Enterprises

Contributions from other sources

Other additions

## Less:

Contributions to Public Service Enterprises

Other deductions

## BALANCE, JUNE 30, 1956

	Total	Water Department	Municipal Railway	Betch Betch Project	San Francisco Airport	Public Utilities Commission
OPERATING REVENUES	\$ 46,083,049	\$13,040,335	\$20,456,021	\$ 8,547,503	\$ 2,585,220	\$1,445,970
OPERATING EXPENSES	40,109,567	3,309,632	21,958,362	4,964,506	2,431,087	1,405,270
Operating income or (loss)	5,973,482	3,738,700	(1,502,343)	3,582,997	154,133	-0-
OTHER REVENUES:						
Interest earned	46,100	18,457	27,643			
Rentals	310,772	282,228		28,546		
Other	270,129	78,940	64,920	11,709	114,560	
	627,001	379,623	92,563	40,255	114,560	
OTHER EXPENSES:						
Bond interest	2,686,535	830,325	227,699	1,451,714	168,737	
Other	177,088	71,003	17,711	89,274	89,274	
	2,864,423	909,328	245,410	1,451,714	257,974	
NET INCOME OR (LOSS)	\$ 3,736,060	\$ 3,208,995	\$ (1,655,195)	\$ 2,171,538	\$ 10,722	-0-
SURPLUS						
Balance, June 30, 1955	\$146,121,967	\$58,139,510	\$ 3,802,776	\$50,902,407	\$ 30,995,311	\$2,281,963
Adjustments, 1954-55	(142,016)				3,600	(145,616)
Adjusted balance, June 30, 1955	145,979,951	58,139,510	3,802,776	50,902,407	30,998,911	2,136,347
Net income or (loss) as above	3,736,060	3,208,995	(1,655,195)	2,171,538	10,722	210,319
Contributions from General City	4,104,271		3,098,178		795,774	
Contributions from Public Service Enterprises	926,576			926,536		
Contributions from other sources	927,260			700,000	227,260	
Other additions	7,100			7,100		
	155,681,178	61,348,505	5,245,159	54,707,581	32,032,667	2,346,666
Less:						
Contributions to Public Service Enterprises	926,536	926,536			1,929	201,071
Other deductions	203,030					201,071
	1,129,536	926,536			1,929	
BALANCE, JUNE 30, 1956	\$154,551,642	\$60,421,969	\$ 5,245,759	\$54,707,581	\$ 32,030,738	\$2,145,595

## AND

## SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## CAPITAL SURPLUS

YEAR ENDED JUNE 30, 1956

CURRENT YEAR INCREASE:

## Transfers:

## From current accounts:

Bond redemptions	\$ 6,888,000	
Capital additions from revenues	5,500,062	
Adjustment of capital additions, prior years	159,679	
Other	<u>10,582</u>	\$ 12,558,323

## From trust accounts:

## Capital additions:

State Highway Trust	60,080	
Employees' Retirement System	<u>448</u>	60,528

## To current accounts

(608,416)

## Net transfers

12,010,435

OTHER ADDITIONS:

Profit on sale of capital assets -  
general city departments

24,771

Parking lot rentals - 1947 off-street parking bonds

18,596

Total other additions

43,367

Total current year increase

12,053,802

PRIOR YEAR'S BALANCE

304,654,780

Deduct: San Francisco Unified School District  
and Child Care Center equipment and  
other disposals

123,883304,530,897CAPITAL SURPLUS - JUNE 30, 1956\$316,584,699

## AND

## SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## SUMMARY OF FIXED ASSETS

JUNE 30, 1956

GENERAL CITY AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT:

## Current Year's Additions - Net:

	<u>Total</u>	<u>Land</u>	<u>Structures and Improvements</u>	<u>Equipment</u>
General Government:				
Civic Center, including City Hall	\$ (295,778)	\$ (434,433)	\$ 13,707	\$ 124,948
Public Safety:				
Fire Department	1,634,348	154,124	1,270,137	210,087
Police Department	(54,244)	(171,405)	(9,594)	126,755
Department of Electricity	11,033		8,908	2,125
Highways:				
Streets, tunnels, bridges, etc.	3,945,452	1,288,296	2,596,444	60,712
Asphalt plant	38,837		38,837	
Off-Street parking	29,464	27,955	1,509	
Sanitation:				
Sewers and sewage disposal plants	1,124,693	(1,975)	1,112,843	13,825
Street Cleaning Department	7,241			7,241
Health Conservation:				
Hassler Health Home	24,069		14,471	9,598
Civic Center Health Building	13,476	(112)		13,476
Excelsior Health Center	(147,457)	(143,650)	(3,807)	
Other				
Hospitals:				
San Francisco Hospital	280,951		213,051	67,900
Emergency Hospitals	7,768			7,768
Public Welfare:				
Laguna Honda Home	489,837		463,333	26,504
Welfare Department	40,498		30,778	9,720
Corrections:				
Youth Guidance Center	12,394		1,467	10,927
Juvenile Log Cabin Ranch	4,274		3,548	728
Schools	4,784,539	215,976	3,907,778	660,785
Libraries	100,788	35,533	56,994	8,261
Recreation:				
Playgrounds and swimming pools	1,257,426	(72,984)	1,286,519	43,891
Museums, art galleries, etc.	70,268		65,807	4,461
War Memorial and Opera House	14,420		14,164	256
Parks and squares	303,714	94,179	176,945	32,590
Auditorium	83,562		65,001	18,561
Kezar Stadium	54,048		54,048	
Other:				
Central warehouse and corporation yard	108,247	104,500	3,747	448
Retirement system	448			
Miscellaneous	(30,570)	(113,002)	30,662	51,770
Prior Years' Additions	13,913,634	983,002	11,417,297	1,513,335
	374,833,362	60,236,037	286,801,529	27,795,176
Total General City	\$388,746,996	\$ 61,219,039	\$298,218,826	\$29,309,131

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SUMMARY OF FIXED ASSETS

JUNE 30, 1956

Total General City	<u>Total</u>
PUBLIC SERVICE ENTERPRISES:	\$388,746,996
Current Year's Additions - Net:	
Water Department	2,175,739
Municipal Railway	(1,626,032)
Hetch Hetchy Project	4,365,775
San Francisco Airport	944,137
Public Utilities Commission	<u>80,086</u>
	5,910,298
Prior Years' Additions	324,693,357
Total Public Service Enterprises	<u>330,515,655</u>
TOTAL FIXED ASSETS, CITY AND COUNTY OF SAN FRANCISCO	<u>\$719,260,651</u>

AND

(CONTINUED)

SAN FRANCISCO UNIFIED SCHOOL DISTRICTBONDED INDEBTEDNESSJUNE 30, 1956GENERAL CITY:

## Schools:

March 1, 1923, 5%	\$ 3,300,000	
1948:		
Series A - March 1, 1949, 1 1/4% and 1 1/2%	4,400,000	
Series B - April 1, 1951, 1 3/4%	7,697,000	
Series C - March 1, 1952, 1 1/2%	7,840,000	
Series D - December 1, 1952, 1 3/4%	9,250,000	
Series E - August 1, 1953, 2 1/2% and 4%	4,160,000	
Series F - March 1, 1954, 1% to 1 3/4%	2,600,000	
Series G - April 1, 1955, 1 3/4% and 6%	<u>3,900,000</u>	\$ 43,147,000

## Juvenile Court and Detention Home:

Series A - August 1, 1948, 1 3/4%	651,000	
Series B - November 1, 1949, 1% to 1 1/2%	<u>576,000</u>	1,227,000

## Boulevards and Roads:

Boulevards and Roads, February 1, 1931, 4 1/2%	144,000	
Street Improvement 1947:		
Series A - February 1, 1948, 2%	600,000	
Series B - August 1, 1949, 1 1/4% and 1 1/2%	1,251,000	
Series C - November 1, 1949, 1% to 1 1/2%	3,510,000	
Series D - September 1, 1950, 1 1/4% and 1 1/2%	580,000	
Series E - March 1, 1952, 1 1/4% and 1 1/2%	2,050,000	
Series F - December 1, 1952, 1 3/4%	925,000	
Series G - March 1, 1954, 1% and 1 1/4%	800,000	
Series H - January 1, 1956, 2% to 6%	<u>1,250,000</u>	11,110,000

## Sewers:

December 1, 1933, 4%	625,000	
1944:		
Series B - February 1, 1948, 2% and 2 1/2%	3,731,000	
Sewage Treatment 1948:		
Series A - August 1, 1949, 1 1/4% and 1 1/2%	4,731,000	
Series B - November 1, 1949, 1% to 1 1/2%	1,881,000	
Series C - March 1, 1952, 1 1/4% and 1 1/2%	1,700,000	
Series D - March 1, 1954, 1% and 1 1/4%	800,000	
Series E - January 1, 1956, 2% to 6%	1,000,000	
1954:		
Series A - January 1, 1956, 2% to 6%	<u>2,500,000</u>	16,968,000



AND

(CONCLUDED)

SAN FRANCISCO UNIFIED SCHOOL DISTRICTBONDED INDEBTEDNESSJUNE 30, 1956

## Parks and Playgrounds:

Parks and Squares, February 1, 1931, 4 1/2%	\$ 224,000	
Playgrounds, February 1, 1931, 4 1/2%	32,000	
Recreation 1947:		
Series A - August 1, 1948, 1 3/4%	837,000	
Series B - November 1, 1949, 1% to 1 1/2%	801,000	
Series C - September 1, 1950, 1 1/4% and 1 1/2%	1,532,000	
Series D - August, 1953, 2 1/2% and 4%	2,160,000	
Series E - April 1, 1955, 1 3/4% and 5 1/4%	1,070,000	
Series F - January 1, 1956, 2% to 6%	<u>1,500,000</u>	\$ 8,156,000

## Off-Street Parking:

1947:		
Series A - March 1, 1952, 1 1/4% and 1 1/2%	750,000	
Series B - January 1, 1956, 2% to 6%	<u>2,000,000</u>	2,750,000

## Hospitals:

San Francisco Hospital, 1954:		
Series A - January 1, 1956, 2% to 6%	1,500,000	
Laguna Honda Home and Hospital, 1954:		
Series A - January 1, 1956, 2% to 6%	<u>2,500,000</u>	4,000,000

## Fire Protection:

Firehouse 1952:		
Series A - April 1, 1955, 1 3/4% and 6%	1,755,000	
Series B - January 1, 1956, 2% to 6%	<u>1,000,000</u>	2,755,000

## City Hall and Civic Center:

July 1, 1912, 5%		<u>1,000,000</u>
Total General City		91,113,000

PUBLIC SERVICE ENTERPRISES:

San Francisco Water Department	15,000,000	
Hetch Hetchy Water Supply and Power Project	47,571,000	
Municipal Railway of San Francisco	12,269,000	
San Francisco International Airport	<u>11,126,000</u>	
Total Public Service Enterprises		<u>85,966,000</u>
Total Bonded Indebtedness		<u>\$177,079,000</u>

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS RELATING TO THE OFFICE  
OF THE CONTROLLER, FOR THE YEAR ENDED JUNE 30, 1956

NOTE A - Authorized but unissued bonds:

The following is a summary of unissued bonds as at June 30, 1956:

1947	Street Improvement	\$ 5,700,000
1947	Recreation	1,170,000
1947	Off-Street Parking	2,000,000
1948	Sewage Treatment	450,000
1948	School	990,000
1952	Firehouse	1,950,000
1954	Sewer	10,145,000
1954	Exhibit Hall	3,275,000
1954	Recreation Center	5,000,000
1954	San Francisco Hospital	4,330,000
1954	Laguna Honda Home and Hospital	2,975,000
1955	Hetch Hetchy Power	54,000,000
1955	Playground and Recreation Centers	7,000,000
1956	Hall of Justice	<u>19,475,000</u>
	Total	<u>\$118,460,000</u>

NOTE B - Unallocated tax appropriations, Employees' Retirement Fund:

For the year ended June 30, 1956 taxes apportioned and other amounts advanced to the Employees' Retirement System for pension costs have exceeded actual costs by \$190,923, as follows:

Excess (net) to June 30, 1955	\$169,380
Deduct: Amount returned to General City during 1955-1956	<u>(169,380)</u>
Balance	-0-
Add: Amount apportioned or advanced to Employees' Retirement System for the current year	\$10,877,771
Less: Charges for current and prior service and other costs	<u>10,686,848</u> <u>190,923</u>
Excess - June 30, 1956	<u>\$190,923</u>

In compliance with provisions of Section 80 of the Charter this balance will be transferred back to the General Fund.

NOTE C - Fixed capital properties:

The amount of \$719,260,651 does not purport to represent the cost of properties and equipment presently owned by the City and County. The principal reasons are as follows:

1. A substantial but undetermined portion of expenditures on inter-departmental work orders in progress at the end of the fiscal year (\$1,767,680 at June 30, 1956 and \$2,171,666 at June 30, 1955) is applicable to land, structures or equipment, but such expenditures are not charged to fixed assets until each of the several jobs is completed.
2. An equity of approximately \$696,300 has been acquired in parking meters (including \$15,500 during the year under review) which, together with the balance of \$3,600 owing at June 30, 1956 on meters installed to that date, has not been taken up in the accounts. One-half of the collections from each newly installed meter is paid to the vendor of the meter until such time as the agreed purchase price has been paid in full; the other half of the collections is credited to revenues.
3. Construction contracts in progress, amounting to \$8,321,891 at June 30, 1956 are included under the deferred charge caption on the foregoing balance sheet.
4. Certain of the properties are recorded at appraised values.
5. Equipment disposals, other than those by the San Francisco Unified School District, are not recorded in the accounts.

NOTE D - Contingent liabilities, suits, claims, etc.:

According to the City Attorney and Counsel for the School District, there were damage suits pending against the City and County and against the School District as at June 30, 1956 aggregating approximately \$25,000,000 and \$100,000

respectively; also there were a large number of claims pending which had not yet resulted in legal action. Included in the claims of \$25,000,000 against the City and County, were claims aggregating approximately \$18,000,000 against the Municipal Railway for which the Railway has provided a reserve of \$2,596,000. No such reserve has been provided by any of the other departments of the municipality nor by the School District.

In addition, the independent accountant's report for Water Department and Hetch Hetchy Water Supply and Power Project refer to water adjustment claims of \$307,212 which have been fully reserved, contingent liabilities for various property damage, personal injury and water rate suits indeterminate in amount.

The Retirement Board has estimated the reserve requirements at June 30, 1956 for compensation claims pending under the workmen's compensation laws of the State of California to be \$1,350,000. The applicable share has been reserved and included in the statements for all Public Service Enterprises, (excepting the San Francisco International Airport), however no provision has been made by any other department of the municipality. It is the practice of the municipality to provide funds in each annual appropriation ordinance in an amount estimated to be sufficient to meet payments under these claims during the ensuing year.

It is also the practice of the municipality to have an actuarial estimate made once every six years of the amount of the City's unfunded prior service pension costs. These unfunded costs amounted to approximately \$40,500,000 at June 30, 1951, the date of the most recent estimate.

The City and County of San Francisco is contingently liable for the operating expenses and bond interest and redemption charges of the Golden Gate Bridge and Highway District by reason of its participation in the District. The unaudited financial statements of the Bridge District for the year ended June 30, 1956 show:

1. Net income of \$1,293,559 after provision for bond interest and after a charge of \$682,000 for equipment and betterments.
2. Bonds outstanding at June 30, 1956 amounted to \$28,800,000. These mature as follows:

<u>Year</u>	<u>Amount</u>
1956	\$ 800,000
1957-1961	6,000,000
1962-1966	8,000,000
1967-1971	<u>14,000,000</u>
Total	<u>\$28,800,000</u>

3. A sinking fund for retirement of bonded debt amounting to \$6,624,226 at June 30, 1956.
4. That the District will be liable in the sum of \$5,000,000 to the State of California in connection with the new Marin County approach, payable after the present bonded indebtedness of the District shall have been paid.

NOTE E - Accounts and contracts payable:

Accounts and contracts payable at June 30, 1956 consisted of liabilities for which services and materials had been received and estimated liabilities for which services and materials had not been received which have been charged to expense or deferred, as follows:

	<u>Total Liabilities</u>	<u>Estimated Liabilities</u>		
		<u>Total</u>	<u>Charged to Expense</u>	<u>Deferred Charge</u>
General City	\$18,465,332	\$12,384,987	\$4,063,096	\$ 8,321,891
Public Service Enterprises	<u>4,664,249</u>	<u>2,890,872</u>		<u>2,890,872</u>
Total	<u>\$23,129,581</u>	<u>\$15,275,859</u>	<u>\$4,063,096</u>	<u>\$11,212,763</u>

EXHIBIT N

CITY AND COUNTY OF SAN FRANCISCO  
AND  
SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
SUMMARY OF FUND BALANCE SHEETS AND ADJUSTMENTS THEREON  
JUNE 30, 1956

<u>Item</u>	<u>Receivables</u>	<u>Other Resources</u>	<u>Investments</u>	<u>Interfund Accounts</u>	<u>Total</u>
\$ 94,000,118	\$ 9,766,170	\$ 1,125,478		\$13,857,065	\$ 59,722,831
18,157,471	800	64,460,000		487,421	84,705,692
8,100,000	1,327,949		\$177,053,225	743,292	183,752,953
12,344	340				2,695,560
1,400,458				10,980	12,344
87,946,438	11,089,259	65,585,478	177,053,225	15,058,758	1,493,478
90,250					332,383,258
	149,513				50,250
					149,513
			370	28,403	28,403
				190,923	370
5,999,795					190,923
89,606,583	11,238,772	65,585,478	177,053,595	15,318,084	5,999,795
					338,802,512
4,341,000	372,904	54,000,000		189,200	58,908,209
8,847,809	1,032,573			1,722,606	9,403,069
2,000,181	52,593			50,067	3,000,841
1,404,842	566,294	89,414		3,749	2,084,299
80,012	8,036			522,032	880,087
25,596,949	2,032,400	54,089,414		2,557,741	74,276,504
58,650					58,650
	(2,594)				(2,594)
	(211,566)				( 211,566)
	(198,462)			198,462	
1,354,582					1,354,582
17,700,441	1,659,778	54,089,414		2,756,203	75,469,576
89,645,714	\$12,898,550	\$119,674,892	\$177,053,595	\$18,074,287	\$414,272,068

GENERAL CITY AND COUNTY FUNDS:

Current  
Capital  
Public trusts  
Private trusts  
Assessment and redemption  
Agency

To record:  
Revolving funds  
School department tuition  
Additional liabilities  
Excess retirement contribution - net  
Additional investments  
Unused tax apportionment - Retirement

To reclassify:  
Warrants recorded in June, issued in July

PUBLIC SERVICE ENTERPRISE FUNDS:

Hetch Hetchy  
Water Department  
Municipal Railway  
Airport  
Public Utilities Commission

To record:  
Revolving funds  
Additional compensation insurance  
Miscellaneous audit adjustments  
Write-off of Airport disputed receivable in accordance with U. S. District Court decision  
Additional accounts in dispute - Airport

To reclassify:  
Hetch Hetchy receivable from Public Utilities Commission  
Warrants recorded in June, issued in July  
For statement purposes - Reserve - Airport (Receivables in litigation)  
Advance rental and other miscellaneous receipts, unamortized bond premium, deposits, etc.

TOTAL CITY AND COUNTY OF SAN FRANCISCO

EXHIBIT H

Total	Encumbrances	Interfund Accounts	Deferred Credits	Reserves	Cash Reserves	Trust and Assessment	Unencumbered Appropriations	Unappropriated
\$ 59,722,831	\$ 4,030,327	\$10,514,108	\$6,631,968	\$3,194,083	\$3,450,903		\$18,941,107	\$ 7,960,335
84,705,692	8,321,892	3,429,761					43,074,982	29,879,118
183,752,953	24,009	36,239				\$183,696,705		
2,695,960	879					2,695,081		
12,344						12,344		
<u>1,423,478</u>	<u>7,881</u>	<u>27,022</u>				<u>1,458,272</u>		
332,383,258	12,384,987	14,003,070	6,631,968	3,194,083	8,450,903	187,862,705	62,016,089	37,839,453
50,250								50,250
149,513								149,513
28,403	81,295	27,757				(17,046)	(64,249)	
370						(27,041)	27,637	
190,923		190,923				(190,923)		190,923
<u>2,999,795</u>	<u>5,999,050</u>							745
338,802,512	18,465,332	14,221,750	6,621,968	3,194,083	8,450,903	187,628,065	61,580,272	38,230,139
58,908,209	765,648	861,099		1,286,434			1,879,688	54,115,340
9,403,068	2,004,010	1,344,653		1,437,318			3,827,434	789,693
3,000,841	538,920	305,650					985,761	1,170,510
2,004,239	186,404	634,220		515,041			306,709	441,925
<u>880,087</u>	<u>8,787</u>	<u>207,806</u>		<u>8,036</u>			<u>322,262</u>	<u>123</u>
74,276,504	3,503,769	3,653,428		3,246,829			7,354,857	56,517,621
52,650								52,650
(2,594)	4,361	646		(2,604)			(646)	
(211,566)				(211,566)			(4,271)	
				6,548			(6,548)	
1,334,582	1,156,119	198,463	213,360	(213,360)				
			46,285					(46,285)
<u>75,469,576</u>	<u>4,664,249</u>	<u>3,852,537</u>	<u>259,645</u>	<u>2,825,767</u>			<u>7,343,392</u>	<u>56,523,986</u>
\$444,272,088	\$23,129,581	\$18,074,287	\$6,891,613	\$6,019,850	\$8,450,903	\$187,628,065	\$69,323,664	\$24,754,125

## EXHIBIT I

## CITY AND COUNTY OF SAN FRANCISCO

## AND

## SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## INDIVIDUAL FUND BALANCE SHEETS - CURRENT FUNDS

JUNE 30, 1956

Cash	Receivables	Other Resources	Interfund Accounts	Total	
			\$1,664,237	\$ 1,664,237	General Fund, 1956-57
\$ 3,941,789	\$2,830,052		4,920,615	11,692,456	General Fund, 1955-56
253,635	300			253,935	General Fund, Prior Years
962,343	657		53,986	1,016,986	Recreation and Park
174,823	6,414			181,237	Library
92,589	563			93,152	War Memorial
118,820				118,820	California Palace of the Legion of Honor
76,952			1,040	77,992	de Young Museum
103,174				103,174	Publicity and Advertising
59,739				59,739	Special Election
3,964,105	214,236		232,053	4,410,394	Special Road Improvement
4,150,943	780,267	\$1,125,478	3,362	6,060,050	San Francisco Unified School District
202,323	34,340			236,663	School Cafeteria
116,697	5,265			121,962	Child Care Center - State
10,115,634	1,508,682		80,016	11,704,332	Special Gas Tax Street Improvement
	272,477			272,477	Employees' Retirement - Current
786,884	247,618		550,000	1,584,502	Bond Interest and Redemption
3,832,112	1,872,682		5,755,514	11,460,308	Cash Reserve
901,407			596,242	1,497,649	Emergency Reserve
24,255				24,255	Embarcadero Widening
319,843	1,279,644			1,599,487	Capital Improvement
	266,666			266,666	Alcoholic Beverage License Subsidy
	440,307			440,307	Tuberculosis Aid Subsidy
(167,930)				(167,930)	Auditorium
(171,332)				(171,332)	Firemen's Relief & Pension
(103,236)				(103,236)	Police Relief & Pension
					Unapportioned Funds:
941				941	Tax Collector's Taxes
153				153	Redemption of Property
51,091				51,091	Delinquent Tax Installments
5,172,364				5,172,364	Assessor's Personal Property Taxes
<u>\$34,980,118</u>	<u>\$9,760,270</u>	<u>\$1,125,478</u>	<u>\$13,857,065</u>	<u>\$59,722,831</u>	



## EXHIBIT I

<u>Total</u>	<u>Encumbrances</u>	<u>Interfund Accounts</u>	<u>Deferred Credits</u>	<u>Cash Reserves</u>	<u>Reserves</u>	<u>Unencumbered Appro- priations</u>	<u>Unappro- priated</u>
\$ 1,664,237							\$1,664,237
11,692,456	\$2,378,253	\$ 3,882,037	\$1,357,231		\$1,012,686	\$ 3,062,249	
253,935	46,510	56,836	3,000		13	147,576	
1,016,986	80,236	250,011	47,188		657	638,894	
181,237	32,972	80,881			6,415	60,969	
93,152	10,787	21,963			563	59,839	
118,820	85,653	26,301				6,866	
77,992	4,878	64,317				8,797	
103,174	95,868	7,306					
59,739						47,840	11,899
4,410,394	107,046	339,463				2,462,864	1,501,021
6,060,050	1,078,057	775,629			441,375	2,102,424	1,662,565
236,663	31	95				5,000	231,537
121,962	28,360	9,047			1,121	5,013	78,421
11,704,332	81,676	554,485				8,810,819	2,257,352
272,477		109,352			163,125		
1,584,502		1,300,000			245,097		39,405
11,460,308		1,686,374		\$8,450,903	1,323,031		
1,497,649						1,497,649	
24,255						24,255	
1,599,487		643,038				53	956,396
266,666		266,666					
440,307		440,307					
(167,930)							(167,930)
(171,332)							(171,332)
(103,236)							(103,236)
941			941				
153			153				
51,091			51,091				
<u>5,172,364</u>			<u>5,172,364</u>				
<u>59,722,831</u>	<u>\$4,030,327</u>	<u>\$10,514,108</u>	<u>\$6,631,968</u>	<u>\$8,450,903</u>	<u>\$3,194,083</u>	<u>\$18,941,107</u>	<u>\$7,960,335</u>



## CITY AND COUNTY OF SAN FRANCISCO

AND

## SAN FRANCISCO UNITED SCHOOL DISTRICT

## INDIVIDUAL FUND BALANCE SHEETS - RETIREMENT AND OTHER PUBLIC TRUST FUNDS

JUNE 30, 1976

EXHIBIT X

Cash	Receivables	Investments	Interfund Accounts	Total	Employees' Retirement System Bequests:	Total	Reimbursements	Interfund Accounts	Fund Balances
\$3,475,910	\$1,298,562	\$176,701,454	\$743,292	\$182,219,618		\$182,219,618	\$ 1,815	\$ 5,787	\$182,212,016
3,000				3,000	Adams	3,000			3,000
2,447				2,447	Bardette	2,447			2,447
1,474				1,474	Brunetti	1,474			1,474
211		94		1,334	Fallon	211			1,334
1,935	996	50,990		52,925	Palmer - Bank	52,925	35	250	52,611
5,836		116,671		123,507	Palmer - City	123,507	528		122,975
82				82	Palmer - Park	82			82
3,535	116	8,739		12,090	Herrstein	12,090		5,000	77,565
1,736		2,000		3,736	Levin	3,736			3,736
25,000				25,000	Levin	25,000			1,930
2,000	45	2,073		4,073	Max	4,073	7,138		3,935
5,285	5	5,000		10,290	McLean	10,290			17,862
5,285				5,285	Olson	5,285			9,896
7,773	22	979		8,774	Olson	8,774	150		8,624
11,243	417	40,000		51,660	Robinson	51,660			51,660
6,587				6,587	Sharp	6,587			47,721
10,904		5,000		15,904	Seaside	15,904			14,583
10,904				10,904	Seaside	10,904			10,904
2,132	104	100,000		102,236	Steinbrunn	102,236	3,596		102,236
121,766	104	5,000		126,870	Stoy	126,870			126,870
127	10	5,000		132	Stoy	132			132
16,302				16,302	Walters	16,302			16,302
3,330				3,330	Walters	3,330			3,330
409,070				409,070	De Young Museum Art Trust	409,070		1,652	407,418
2,028				2,028	Infantile Paralysis	2,028			2,028
2,125				2,125	Laguna Honda Workshop	2,125			2,125
1,616	110	15,495		17,221	Laguna Honda Home - Gift Fund	17,221	75		17,146
1,599				1,599	Police Officers' Trust	1,599			1,599
1,144				1,144	Police Officers' Trust	1,144			1,144
110				110	San Francisco Hospital - Children's Ward	110			1,135
165				165	Musicians' Club	165			165
346				346	Social Service	346			346
271,100				271,100	United Book Fund	271,100			271,100
26,350				26,350	United Book Fund	26,350			26,350
1,539				1,539	Tuberculosis Trust	1,539			1,539
86,804				86,804	Veterans' Education - School	86,804			86,804
11,071				11,071	Veterans' Education - School	11,071			11,071
\$4,669,467	\$1,327,949	\$177,053,225	\$743,292	\$183,753,933	Ford Foundation	183,753,933	10,672		260,428
					State Highway				124
					Board of Trustees - Legion of Honor			19,390	34,362
					Community Redevelopment				7,735
					Golden Gate Park Gift Fund				20
					Storyland				20
					Bay Area Air Pollution Control District			200	86,804
								\$2,439	\$183,696,705

## AND

## SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## INDIVIDUAL FUND BALANCE SHEETS - PRIVATE TRUST FUNDS

JUNE 30, 1956

Cash	Receiv- ables		Total	Encum- brances	Fund Balances
\$ 333		Absent Creditors	\$ 333		\$ 333
18,724		Absent Heirs	18,724		18,724
43,307		Adult Probation Officers' Deposit	43,307		43,307
		Adult Probation Officers'			
119		Clearing Account	119		119
20,751		Coroner's Unclaimed Money	20,751		20,751
2,000		County Clerk Bail	2,000		2,000
428,850		County Clerk Special	428,850		428,850
329		de Young Museum	329		329
22,014		Duplicate Taxes	22,014		22,014
1,602		Electrical Deposits	1,602		1,602
16,094		Jail Stores Deposits	16,094	\$ 12	16,082
18,126		Juvenile Court Deposits	18,126		18,126
		California Palace of the Legion			
2,421		of Honor	2,421		2,421
485		Library Card Deposits	485		485
41,650		Municipal Court Bail	41,650		41,650
148,132		Municipal Court Special	148,132		148,132
3,274		Police Department Deposits	3,274		3,274
33,098		Realty Deposits	33,098		33,098
		School Teachers' Sabbatical			
2,302		Leave	2,302		2,302
87,755		Sheriff's Trust	87,755		87,755
4,393		Sheriff's Inmate Welfare Fund	4,393	867	3,526
125		Special Badge	125		125
465		Street Improvement	465		465
		Street Improvement - Ordinance			
592		1934	592		592
10,148	\$331	Sunset Tunnel Assessment Refund	10,479		10,479
		Traffic Court Suspense			
18,779	9	Twin Peaks Tunnel Refund	18,788		18,788
60,696		War Bonds	60,696		60,696
803,542		Withholding Tax - General	803,542		803,542
		Withholding Tax - San Francisco			
385,691		Unified School District	385,691		385,691
		Withholding Tax - Municipal			
207,534		Railway	207,534		207,534
		F.I.C.A. Taxes - Municipal			
33,826		Railway	33,826		33,826
		F.I.C.A. Taxes - Redevelopment			
459		Agency	459		459
		F.I.C.A. Taxes - Parking			
135		Authority	135		135
		California Unemployment Insurance			
193		Taxes - Redevelopment Agency	193		193
167,068		Voluntary Payroll Deductions	167,068		167,068
		County Clerk Special - State			
110,608		Highway	110,608		110,608
\$2,695,620	\$340		\$2,695,960	\$879	\$2,695,081

## CITY AND COUNTY OF SAN FRANCISCO

EXHIBIT IV. H

AND

## SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## INDIVIDUAL FUND BALANCE SHEETS

JUNE 30, 1956

Cash	Interfund Accounts	Total	Assessment and Redemption Funds:	Total	Encum- brances	Inter- fund Accounts	Fund Balances
\$ 1,302	\$	1,302	Circular Avenue Assessment	\$ 1,302			\$ 1,302
4,233		4,233	Circular Avenue Redemptions	4,233			4,233
938		938	City Lands Assessment	938			938
3,623		3,623	City Lands Redemption	3,623			3,623
142		142	Oakwood Street Assessments	142			142
64		64	Saturn Street Redemptions	64			64
462		462	Virginia Avenue Assessments	462			462
1,580		1,580	Virginia Avenue Redemptions	1,580			1,580
\$ 12,344		\$ 12,344		\$ 12,344			\$ 12,344
\$ 694,341		\$ 694,341	AGENCY FUNDS:	\$ 694,341			\$ 694,341
75		75	State Inheritance Taxes	75			75
7,133		7,133	State Inheritance Taxes - refund	7,133			7,133
5,150		5,150	Law Library	5,150			5,150
495,729		495,729	State Consumers Use Tax	495,729	\$7,881		487,848
10,578		10,578	State County Fair	10,578			10,578
2,818		2,818	State Fines and Forfeitures	2,818			2,818
11,715	\$ 915	3,733	State Sales Tax	3,733			3,733
19,500		11,715	State Teachers' Annuity Deposit	11,715			11,715
37,698		19,500	State Teachers' Retirement Permanent	19,500			19,500
197,761	10,065	47,763	Redevelopment Agency - Survey & Planning	47,763		\$ 9,695	38,108
		197,761	Redevelopment Agency - Project Expenditures	197,761		17,367	180,394
\$1,482,498	\$10,980	\$1,493,478		\$1,493,478	\$7,881	\$27,022	\$1,458,575

CITY AND COUNTY OF SAN FRANCISCO  
PUBLIC SERVICE ENTERPRISES  
INDIVIDUAL FUND BALANCE SHEETS  
JUNE 30, 1976

Cash	Receivables	Other Resources	Interfund Accounts	Total	Match Branch:	Total	Encum-	Interfund Accounts	Reserve	Unencumbered Appropriations	Unappropriated
\$ 821,604	\$ 372,294		\$ 189,200	\$ 1,385,708	Operating	\$ 1,385,708	\$ 276,258	\$ 83,977	\$ 2,684	\$ 709,168	\$ 113,882
1,283,750				1,283,750	Bond Interest and Redemption				1,283,750		
1,509,164				1,509,164	1947 Water Bonds	1,509,164		462,672		84,534	
1,514,775				1,514,775	1952 Airport Bonds	1,514,775		281,559		1,032,708	
1,514,775		\$54,000,000		54,344,338	1993 Match Branch Power	54,344,338		865,699	1,286,434	1,817,468	54,115,462
1,364,102	372,294	54,000,000	189,200	58,928,202		58,928,202					
5,341,393	1,012,273		1,722,686	8,056,652	Water Department:		2,004,010	1,344,153	99,818	3,819,018	759,483
1,337,500				1,337,500	Operating				1,337,500		
3,916				3,916	Bond Interest and Redemption	3,916					
6,247,822	1,012,273		1,722,686	9,403,068	Real Property	9,403,068					
2,844,720	52,393		50,067	2,947,180	Municipal Railway:						
2,844,720				2,844,720	Operating	2,947,180	523,301	305,650	1,337,118	1,827,134	725,652
2,038,421	52,393		50,067	3,000,881	1947 Municipal Railway Rehabilitation	3,000,881	11,819			988,119	1,276,510
677,711	566,294		3,719	1,247,754	Airport:		538,820	305,650		285,761	1,170,232
21,843				21,843	Operating						
277,716				277,716	Special Aviation	1,247,754		588,870	515,041	7,480	113,383
31,216				31,216	1947 Airport Bonds	21,843		9,144		105,869	124,813
335,000		89,414		424,414	1992 Airport Bonds	331,212		6,100		191,714	134,472
				274,414	Federal Airport Project	274,414				1,516	89,414
1,424,942	566,294		3,719	2,034,299			186,404	634,280	515,034	305,732	441,265
280,012	8,036		522,032	890,081	Public Utilities Commission:						
					Operating		8,787	527,806	8,036	355,865	192
115,596,942	\$2,032,400	\$54,089,414	\$2,527,711	\$74,276,504		\$74,276,504	\$3,923,769	\$3,653,148	\$3,246,389	\$7,354,897	\$25,517,621

EXHIBIT C

CITY AND COUNTY OF SAN FRANCISCO AND  
SAN FRANCISCO UNITED SCHOOL DISTRICT  
RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUNDS BALANCE SHEET

JUNE 30, 1996

ASSETS

	Total	Fixed Capital Assets	Cash	Accounts Receivables	Other Resources	Investments	Deposits	Interfund Accounts	Deferred Charges
DEBUT:	\$912,905,356	\$616,779,381	\$90,454,961	\$ 9,651,932		\$177,053,595	\$127,475	\$ 1,312,534	\$14,485,598
Fixed capital assets	616,779,381	616,779,381							
Warrants and payroll deductions									
Outstanding	3,794,536		3,794,536						
Bond interest matured	64,798		64,798						
Bonds unissued	21,800		21,800						
Reserves - securities deposits on leases	127,475						127,475		
Inventories and deferred charges	14,485,598								14,485,598
Audit adjustments	3,098		663	435					

Total

635,270,946 616,779,381 3,880,197 435 127,475 14,485,598

LIAB:

Accounts receivable reserves  
Bonds unsold (Statement Note A)  
Interfund accounts

4,421,925 3,207,033 \$ 1,214,892  
118,460,000 118,460,000  
13,761,753

Total

136,643,678 3,207,033 119,674,892 13,761,753  
\$14,270,088 \$ -0- \$12,059,550 \$119,674,892 \$177,053,595 \$ -0- \$13,074,687 \$ -0-

FUNDS BALANCE SHEET - EXHIBIT D

CITY AND COUNTY OF SAN FRANCISCO AND  
SAN FRANCISCO UNITED SCHOOL DISTRICT  
RECONCILIATION OF FUND BALANCE SHEET WITH FUND BALANCE SHEET

JUNE 30, 1956

LIABILITIES AND SURPLUS

	Total	Bonded Net	Bond Interest	Accounts Payable and Borrowings	Interfund Accounts	Reserves	Deferred Special Assessments	Trust and Assessment Reserves	Surplus
<b>LIABILITIES:</b>									
Accrued debt and interest maturing after July 1, 1956	\$212,955,116	\$174,729,200	\$174,729,200	\$27,185,916	\$ 4,719,934	\$127,114	\$120,128	\$157,155,408	\$174,729,200
Accrued interest	616,779,281	174,729,200	658,109						174,729,200
Bonds matured - unpaid	27,200	27,200	64,798						134,455,558
Reserves - securities deposited on leases	61,798					127,475			(446,285)
Accrued interest on bonds maturing after July 1, 1956	427,415					(631,290)			(800,000)
Bonds maturing on July 1, 1956		2,800,000	1,067,515			(2,000,000)			
Warrants and payroll deductions outstanding	3,794,536			3,794,536					
Inventories and deferred charges	144,457,356								
Reserves for workmen's compensation claims						991			(591)
Reserve for refunds - Water Department						13,138			(13,138)
Reserve for workmen's compensation claims						307,212			(307,212)
Reserve for accident claims - Municipal Railway						483,982			(483,982)
Accrued payroll - Municipal Railway						2,559,595			(2,559,595)
Unidentified receipts - suspense appropriations						13,759			(13,759)
Unidentified receipts: Public Service Enterprises									(220,676)
Audit adjustments - Public Service Enterprises									(86,242)
Current year's reserve for depreciation							86,242		(34,848)
Current year's reserve for depreciation - Public Utilities Commission							35,748		4,099
Reimbursement from San Francisco Housing Authority							276,595		(276,595)
- not reserved									(1,800)
<b>Total</b>	<b>539,276,946</b>	<b>177,105,200</b>	<b>1,787,422</b>	<b>4,053,555</b>		<b>1,800</b>	<b>395,215</b>	<b>151,225,031</b>	<b>(71,697)</b>
<b>ASSETS:</b>									
Net work order, budget transfer, etc. adjustments									(87,389)
Interfund accounts	13,761,753				13,761,753	87,389			118,160,217
Unidentified receipts - Public Service Enterprises						61,217			1,231,892
Airport fire loss proceeds - reserved									119,531,259
Bonds unsold	118,460,000					3,287,013			119,531,259
Accounts receivable reserves	135,461,252					3,355,619			119,531,259
<b>Total</b>	<b>\$119,472,086</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$22,129,481</b>	<b>13,761,753</b>	<b>\$4,019,890</b>	<b>\$6,894,413</b>	<b>\$157,629,065</b>	<b>\$172,528,692</b>
<b>FUND BALANCE SHEET - EXHIBIT B</b>									
Cash reserves									\$ 8,860,903
Unappropriated appropriations									69,123,164
Unappropriated balance of funds									94,134,125
									<b>\$172,528,692</b>



**San Francisco Water Department**

AND

**HETCH HETCHY WATER SUPPLY AND POWER PROJECT**



**REPORT ON EXAMINATION OF FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 1956**

# SKINNER & HAMMOND

CERTIFIED PUBLIC ACCOUNTANTS

ONE ELEVEN SUTTER  
SAN FRANCISCO 4

September 27, 1956

The Honorable Harry D. Ross, Controller,  
City and County of San Francisco  
San Francisco, California

Dear Sir:

In accordance with your instructions, and under the terms of an agreement with you dated February 10, 1956, we have examined the combining balance sheet of the Water Department and the Hetch Hetchy Water Supply and Power Project of the City and County of San Francisco as of June 30, 1956, and the related combining statements of revenues and expenses and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary.

Our report, audit program, and working papers in connection with this examination have been made available to Mr. David F. Supple, consultant and statistician for the Grand Jury.

## OPINION

In our opinion, the accompanying combining balance sheet and related combining statements of revenues and expenses and surplus present fairly the financial position of the Water Department and the Hetch Hetchy Water Supply and Power Project at June 30, 1956, and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

We attach the following:

<u>EXHIBIT A</u>	<u>COMBINING BALANCE SHEET</u>	<u>JUNE 30, 1956</u>
<u>EXHIBIT B</u>	<u>COMBINING STATEMENT OF REVENUES AND EXPENSES</u>	<u>YEAR ENDED JUNE 30, 1956</u>
<u>EXHIBIT C</u>	<u>COMBINING STATEMENT OF SURPLUS</u>	<u>YEAR ENDED JUNE 30, 1956</u>
<u>SCHEDULE 1</u>	<u>COMBINED SUMMARY OF PROPERTY, PLANT, AND EQUIPMENT AND RELATED PROVISIONS FOR DEPRECIATION</u>	<u>JUNE 30, 1956</u>
<u>4 PAGES</u>	<u>NOTES TO FINANCIAL STATEMENTS</u>	<u>JUNE 30, 1956</u>

Very truly yours,

*William A. Hammond*

Certified Public Accountants

EXHIBIT A

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT  
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

COMBINING BALANCE SHEET

JUNE 30, 1956

A S S E T S

PROPERTY, PLANT, AND EQUIPMENT (Note 1 and Schedule 1):

In service:

Tangible property  
Intangible property  
Not in service:  
Tangible property

Less: Provision for depreciation

Under construction

CASH:

On deposit with Treasurer  
Revolving funds

ACCOUNTS RECEIVABLE (Note 2):

Consumers' accounts  
Other accounts

Less: Provision for doubtful accounts

DUE FROM CITY AND COUNTY OF SAN FRANCISCO:

General departments and funds  
Other public service departments

DEFERRED CHARGES AND OTHER ASSETS:

Materials and supplies  
Commitments for goods and services not received (contra)  
Deposits and other accounts

TOTAL ASSETS

ELIMINATIONS

COMBINED

\$227,452,602.73  
5,958,543.00  
  
\$234,316,879.95  
69,282,338.09  
\$365,034,511.86  
2,298,113.69  
\$367,332,655.55

\$ 11,574,300.34  
34,000.00  
\$ 11,608,300.34

\$ 1,150,452.45  
51,324.27  
\$ 1,201,776.72  
12,429.15  
\$ 1,189,347.57

\$ 985.19  
238,144.09  
\$ 239,126.28

\$ 558,715.22  
2,478,701.15  
58,859.84  
\$ 3,096,276.21

\$183,465,705.95

WATER  
DEPARTMENT

\$ 97,068,751.97  
3,222,913.00  
  
847,043.38  
\$101,138,708.35  
33,694,691.69  
\$ 67,444,016.66  
1,229,062.94  
\$ 68,673,079.60

\$ 6,957,216.87  
30,000.00  
\$ 6,987,216.87

\$ 976,595.60  
51,324.27  
\$ 1,027,919.87  
12,429.15  
\$ 1,015,490.72

\$ 3,369.34  
\$ 3,369.34

\$ 506,814.60  
1,578,531.26  
57,755.24  
\$ 2,143,101.10

\$ 78,822,257.63

HETCH HETCHY  
WATER SUPPLY  
AND POWER  
PROJECT

\$130,383,850.76  
2,735,630.00  
  
58,690.84  
\$133,178,171.60  
35,587,646.40  
\$ 97,590,525.20  
1,069,090.75  
\$ 98,659,575.95

\$ 4,617,083.47  
4,000.00  
\$ 4,621,083.47

\$ 173,856.85  
\$ 173,856.85  
\$ 173,856.85

\$ 985.19  
289,355.26  
\$ 290,340.45

\$ 51,900.62  
900,169.89  
1,104.60  
\$ 953,175.11

\$104,658,031.83

EXHIBIT A

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT  
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

COMBINING BALANCE SHEET

JUNE 30, 1956

L I A B I L I T I E S

BONDED DEBT (Note 3):

Matured bonds not presented for payment  
Maturing within one year  
Maturing after June 30, 1957

BOND INTEREST PAYABLE:

Matured coupons not presented for payment  
Due July 1, 1956  
Accrued, not due

ACCOUNTS PAYABLE AND COMMITMENTS:

Warrants outstanding and payroll deductions payable  
Accounts payable  
Retained percentages due contractors  
Commitments for goods and services not received (contra)

CONSUMERS' DEPOSITS AND CONSTRUCTION ADVANCES

DUE TO CITY AND COUNTY OF SAN FRANCISCO:

General departments and funds  
Other public service departments

RESERVES:

Workmen's compensation claims, employees' vacation pay,  
sick leave, etc. (Note 4)  
Consumers' accounts subject to adjustment (Note 2)  
Other

SURPLUS - Exhibit C

TOTAL LIABILITIES, RESERVES,  
DEFERRED CREDITS, AND SURPLUS

<u>ELIMINATIONS</u>	<u>WATER DEPARTMENT</u>	<u>HETCH HETCHY WATER SUPPLY AND POWER PROJECT</u>
\$ 24,000.00	\$ 15,000.00	\$ 9,000.00
4,973,000.00	1,000,000.00	3,973,000.00
31,528,000.00	14,000,000.00	17,528,000.00
<u>\$ 62,435,000.00</u>	<u>\$ 15,005,000.00</u>	<u>\$ 47,580,000.00</u>
\$ 48,157.50	\$ 7,020.00	\$ 41,137.50
918,250.00	337,500.00	580,750.00
109,425.99		109,425.99
<u>\$ 1,075,833.49</u>	<u>\$ 344,520.00</u>	<u>\$ 731,313.49</u>
\$ 508,341.74	\$ 287,274.73	\$ 221,067.01
238,889.40	99,078.49	159,810.91
150,488.14	70,727.99	79,760.15
2,478,701.15	1,578,531.26	900,169.89
<u>\$ 3,356,420.43</u>	<u>\$ 2,035,632.47</u>	<u>\$ 1,360,807.96</u>
\$ 220,675.77	\$ 220,675.77	
\$ 347,701.98	\$ 72,287.29	\$ 275,414.69
<u>\$ 41,714.42</u>	<u>\$ 80,684.70</u>	<u>\$ 15,613.23</u>
<u>\$ 389,416.40</u>	<u>\$ 152,971.99</u>	<u>\$ 231,027.92</u>
\$ 338,460.89	\$ 311,158.99	\$ 27,301.90
307,211.91	307,211.91	
13,137.59	13,137.59	
<u>\$ 658,810.39</u>	<u>\$ 631,508.49</u>	<u>\$ 27,301.90</u>
\$115,129,549.47	\$60,421,968.91	\$ 54,707,580.56
<u>\$183,465,705.95</u>	<u>\$78,822,257.63</u>	<u>\$104,658,031.33</u>

The accompanying notes to financial statements are an integral part of this balance sheet.

## EXHIBIT B

## CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT  
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

## COMBINING STATEMENT OF REVENUES AND EXPENSES

YEAR ENDED JUNE 30, 1956

	COMBINED	ELIMINATIONS	WATER DEPARTMENT	HETCH HETCHY WATER SUPPLY AND POWER PROJECT
<u>OPERATING REVENUES (Note 2):</u>				
Water sales	\$13,048,334.33	\$4,030,000.00	\$13,048,334.33	\$4,030,000.00
Electrical energy sales	<u>4,517,503.28</u>			<u>4,517,503.28</u>
Total Operating Revenues	<u>\$17,565,837.61</u>	<u>\$4,030,000.00</u>	<u>\$13,048,334.33</u>	<u>\$8,547,503.28</u>
<u>OPERATING EXPENSES:</u>				
Standby charge and purchases of water	\$	\$4,030,000.00	\$ 4,030,000.00	\$
Purchases of electrical energy	698,258.35			698,258.35
Production expenses	574,164.12			574,164.12
Source of water supply	475,584.14		475,584.14	
Pumping	367,162.30		367,162.30	
Purification	174,699.90		174,699.90	
Transmission and distribution	2,412,195.43		964,969.48	1,447,225.95
Commercial expenses	628,101.23		612,925.38	15,175.85
Administrative and general expenses	1,868,011.02		1,432,356.87	435,654.15
Provision for doubtful accounts	61,387.88		61,387.88	
Provision for depreciation	<u>2,984,576.35</u>		<u>1,190,548.97</u>	<u>1,794,027.38</u>
Total Operating Expenses	<u>\$10,244,140.72</u>	<u>\$4,030,000.00</u>	<u>\$ 9,309,634.92</u>	<u>\$4,964,505.80</u>
	<u>\$ 7,321,696.89</u>		<u>\$ 3,738,699.41</u>	<u>\$3,582,997.48</u>
<u>OTHER REVENUES:</u>				
Gain from sales of properties	\$ 56,667.29		\$ 55,206.53	\$ 1,460.76
Rentals received, including crop sales	310,772.17		282,226.01	28,546.16
Interest earned	18,457.35		18,457.35	
Miscellaneous	<u>33,981.19</u>		<u>23,732.93</u>	<u>10,248.26</u>
	<u>\$ 419,878.00</u>		<u>\$ 379,622.82</u>	<u>\$ 40,255.18</u>
	<u>\$ 7,741,574.89</u>		<u>\$ 4,118,322.23</u>	<u>\$3,623,252.66</u>
<u>OTHER EXPENSES:</u>				
Interest on bonded debt	\$ 2,290,039.11		\$ 838,324.85	\$1,451,714.26
Agricultural division and crop expenses	59,818.16		59,818.16	
Miscellaneous	<u>11,184.60</u>		<u>11,184.60</u>	
	<u>\$ 2,361,041.87</u>		<u>\$ 909,327.61</u>	<u>\$1,451,714.26</u>
<u>EXCESS OF REVENUES OVER EXPENSES -</u>				
Exhibit C	<u>\$ 5,380,533.02</u>		<u>\$ 3,208,994.62</u>	<u>\$2,171,538.40</u>

The accompanying notes to financial statements are an integral part of this statement of revenues and expenses.

EXHIBIT C

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT  
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

COMBINING STATEMENT OF SURPLUS

YEAR ENDED JUNE 30, 1956

	<u>COMBINED</u>	<u>WATER DEPARTMENT</u>	<u>HETCH HETCHY WATER SUPPLY AND POWER PROJECT</u>
<u>BALANCE, JUNE 30, 1955</u>	\$109,041,916.45	\$58,139,509.93	\$50,902,406.52
<u>ADDITIONS:</u>			
Excess of revenues over expenses -			
Exhibit B	5,380,533.02	3,208,994.62	2,171,538.40
Advances from Federal government for			
Cherry Valley Reservoir	700,000.00		700,000.00
Rental of camp buildings acquired by the			
1949 Cherry Valley Bond Fund	<u>7,100.00</u>	<u>                    </u>	<u>7,100.00</u>
	<u>\$115,129,549.47</u>	<u>\$61,348,504.55</u>	<u>\$53,781,044.92</u>
<u>INTERFUND TRANSFERS:</u>			
Bond redemption and interest on 1947			
Hetch Hetchy Water Bonds applicable			
to properties in service with the			
Water Department:			
Redemption		\$(1,002,259.00)	\$ 1,002,259.00
Interest		(3,627.51)	3,627.51
Fixed capital in service transferred			
to the Water Department from the			
1947 Hetch Hetchy Water Bond Fund		<u>79,350.87</u>	<u>(79,350.87)</u>
		<u>\$ (926,535.64)</u>	<u>\$ 926,535.64</u>
<u>BALANCE, JUNE 30, 1956</u>	<u>\$115,129,549.47</u>	<u>\$60,421,968.91</u>	<u>\$54,707,580.56</u>

SCHEDULE 1

Page 1

CITY AND COUNTY OF SAN FRANCISCOWATER DEPARTMENT  
HETCH HETCHY WATER SUPPLY AND POWER PROJECTCOMBINED SUMMARY OF PROPERTY, PLANT, AND EQUIPMENTAND RELATED PROVISIONS FOR DEPRECIATIONJUNE 30, 1956

	<u>PROPERTY, PLANT, AND EQUIPMENT</u>	<u>PROVISIONS FOR DEPRECIATION</u>
<u>IN SERVICE:</u>		
Tangible property:		
Water Department:		
Land and rights of way	\$ 14,176,598.40	\$ 822,479.95
Buildings, structures, and grounds	1,634,916.89	8,696,447.05
Source of water supply	29,258,663.10	385,820.59
Pumping station equipment	1,384,108.97	111,601.21
Purification system	322,002.67	22,355,184.85
Transmission and distribution system	48,625,861.07	195,942.10
General equipment	364,951.20	265,270.06
Automotive equipment	411,415.37	327,047.74
Undistributed interest during construction	890,234.30	
	<u>\$ 97,068,751.97</u>	<u>\$33,159,793.55</u>
Hetch Hetchy Water Supply and Power Project:		
Water supply:		
Land and rights of way	\$ 3,099,826.93	\$ 36,187.15
Buildings, structures, and grounds	600,843.05	171,591.41
Source of water supply	112,816,291.28	27,294,763.47
Purification system	37,313.93	28,010.21
General equipment	353,116.22	220,175.54
	<u>\$116,907,391.41</u>	<u>\$27,750,727.78</u>
Power supply:		
Land and rights of way	\$ 143,539.06	\$ 1,093,456.93
Buildings, structures, and grounds	2,051,634.87	4,449,958.45
Hydraulic production plant	8,230,798.21	2,149,300.29
Transmission system	2,698,523.85	111,152.15
General equipment	351,963.36	
	<u>\$ 13,476,459.35</u>	<u>\$ 7,803,867.82</u>
	<u>\$130,383,850.76</u>	<u>\$35,554,595.60</u>
<u>Total Tangible Property In Service</u>	<u>\$227,452,602.73</u>	<u>\$68,714,389.15</u>
Intangible property:		
Water Department:		
Water rights and other intangible property	\$ 3,222,913.00	
Hetch Hetchy Water Supply and Power Project:		
Water rights and other intangible property	<u>2,735,630.00</u>	
<u>Total Intangible Property In Service</u>	<u>\$ 5,958,543.00</u>	
<u>NOT IN SERVICE:</u>		
Tangible property:		
Water Department	\$ 847,043.38	\$ 534,898.14
Hetch Hetchy Water Supply and Power Project	58,690.84	33,050.80
<u>Total Tangible Property Not In Service</u>	<u>\$ 905,734.22</u>	<u>\$ 567,948.94</u>
<u>Forward</u>	<u>\$234,316,879.95</u>	<u>\$69,282,338.09</u>



SCHEDULE 1

Page 2

CITY AND COUNTY OF SAN FRANCISCOWATER DEPARTMENTHETCH HETCHY WATER SUPPLY AND POWER PROJECTCOMBINED SUMMARY OF PROPERTY, PLANT, AND EQUIPMENTAND RELATED PROVISIONS FOR DEPRECIATIONJUNE 30, 1956

	<u>PROPERTY, PLANT, AND EQUIPMENT</u>	<u>PROVISIONS FOR DEPRECIATION</u>
<u>Forward</u>	<u>\$234,316,879.95</u>	<u>\$69,282,338.09</u>
<u>UNDER CONSTRUCTION:</u>		
Water Department:		
Hillsborough tunnel	\$ 319,416.14	
Crystal Springs and Sunset supply line	161,640.86	
Guadalupe by-pass	430,568.55	
Sunset reservoir	212,705.85	
Water mains	38,590.01	
Other	66,141.53	
	<u>\$ 1,229,062.94</u>	
Hetch Hetchy Water Supply and Power Project:		
Cherry Valley dam	\$ 1,018,982.91	
Other	50,067.84	
	<u>\$ 1,069,050.75</u>	
<u>Total Property Under Construction</u>	<u>\$ 2,298,113.69</u>	
<u>TOTAL PROPERTY, PLANT, AND EQUIPMENT</u>	<u>\$236,614,993.64</u>	<u>\$69,282,338.09</u>

ADDITIONS TO COMBINED PROPERTIESYEAR ENDED JUNE 30, 1956

Water Department:		
Land and rights of way	\$ 121,645.53	
Summit reservoir and pumping station	674,456.81	
Sunset supply line	379,668.36	
Bay Division pipe line	108,946.14	
Fluoridation plants	62,598.41	
McLaren pumping station	96,666.69	
Water mains, meters, connections, etc.	817,956.71	
Other	<u>110,419.63</u>	
		\$ 2,372,358.28
Hetch Hetchy Water Supply and Power Project:		
Cherry Valley dam and reservoir	\$ 10,133,676.36	
Relining San Joaquin pipeline No. 1	222,798.78	
Cottages and improvements at Moccasin and		
Early Intake	135,546.43	
Other	<u>94,829.92</u>	
		<u>10,586,851.56</u>
		<u>\$12,959,209.84</u>

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT  
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1956

NOTE 1.

Section 128 of the Charter of the City and County of San Francisco provides that the Public Utility Commission make an appraisal of properties and a redetermination of depreciation every five years. All adjustments resulting from these appraisals, beginning with the initial appraisal as of June 30, 1938, and including the most recent appraisal as of June 30, 1953, are reflected in the accounts at June 30, 1956. Additions to properties subsequent to June 30, 1953, have been recorded at cost. Depreciation for the year ended June 30, 1956, is based upon rates as set forth in the appraisal as of June 30, 1953.

Major construction projects in progress at June 30, 1956, have estimated total costs of \$5,830,000.00. Costs to complete these projects, exclusive of amounts representing portions placed in service and construction in progress, are estimated at \$4,307,761.99 at that date.

The total costs of construction of the Cherry Valley Reservoir and appurtenant facilities are estimated at \$14,200,000.00. As of June 30, 1956, the major portion of this project, having an approximate aggregate cost of \$11,200,000.00, had been completed and placed in operation under the Hetch Hetchy Water Supply and Power Project. A portion of the funds necessary for construction is being provided by the Federal government under provisions of a contract, dated August 29, 1949, between the Federal government and the City and County of San Francisco, Turlock Irrigation District, and Modesto Irrigation District, relating to facilities for additional protection against floods of the Tuolumne River. A further portion of the funds necessary for construction is being provided by the City and County of San Francisco under an authorized bond issue of \$4,000,000.00.

The funds from the Federal government for the flood protection program under the contract dated August 29, 1949, are estimated in the contract at \$12,000,000.00. By supplemental agreement between the City and County of San Francisco, Turlock Irrigation District, and Modesto Irrigation District, \$9,000,000.00 of the funds to be received from the Federal government are to be expended toward the construction of Cherry Valley Reservoir and appurtenances, and the remainder of such funds in the amount of \$3,000,000.00 are to be expended toward the construction of a new dam and reservoir at Don Pedro. At June 30, 1956, the Federal government had paid \$8,922,810.72 pursuant to the contract. The payments received have been included in surplus of the Hetch Hetchy Water Supply and Power Project in the fiscal years received, upon advice of the City Attorney. The conditions of the contract with the Federal government are subject, on the part of the government, to the authorization and the appropriation by Congress of funds for the accomplishment of the objectives of the contract. As of July 29, 1953, the amount authorized by Congress was \$10,500,000.00 of which \$8,986,430.00 has been appropriated.

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT  
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1956

NOTE 1. (Continued)

The supplemental agreement between the City and County of San Francisco, Turlock Irrigation District, and Modesto Irrigation District provides generally that title to the Cherry Valley Reservoir will vest in the City and County of San Francisco. This agreement further provides that the City and County of San Francisco will participate in the construction of a new Don Pedro Dam and Reservoir, title to which will vest in the irrigation districts. Participation in the construction of the new dam and reservoir at Don Pedro is subject, on the part of the City and County of San Francisco, to the fiscal provisions of its Charter and prior approval by the electors.

Under date of November 8, 1955, the electors of the City and County of San Francisco approved a bond issue in the amount of \$54,000,000.00 for the acquisition, construction, and completion of two power plants located in Tuolumne County, California, and other works and properties on the Hetch Hetchy Project. As of June 30, 1956, no bonds had been issued, and no contracts had been entered into with the exception of engineering contracts in the aggregate amount of \$196,710.39.

NOTE 2.

Revenues from water and power services furnished to consumers are taken into income when billed. In general, major industrial consumers of water and all consumers of electrical energy are billed monthly. All other consumers of water are billed bi-monthly.

The combining statement of revenues and expenses, Exhibit B, attached, does not include recorded revenue from water delivered to Municipal Departments without charge, which, if billed at regular rates, would have resulted in additional revenue of \$740,038.22 to the Water Department, nor does the statement include a charge of an equal amount for municipal tax expense which is also reflected on the records of the Water Department. This amount of \$740,038.22 was computed and recorded in token of compliance with Section 64 of the Charter which provides that the accounts of each utility shall be maintained in such manner as to reflect estimates of the amount of taxes chargeable against property and the revenue of the utility if the latter were privately owned and operated.

Certain consumers entered into contracts with the Spring Valley Water Co. which contracts entitled these consumers to water at reduced rates or free of charge. These contracts were assumed by the Water Department upon acquisition of that Company's facilities by the City and County of San Francisco. Based upon a legal opinion by the City Attorney that these contracts were illegal and unenforceable, the Water Department billed these consumers additional amounts representing the difference between the contract rates and scheduled rates as applied to water delivered under these contracts during the period November 17, 1950, to June 30, 1956. Certain of these consumers filed claims against the City and County of San Francisco contesting the legality of the cancellation of these contracts, and for damages resulting therefrom.

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT  
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1956

NOTE 2. (Continued)

Reserves aggregating \$307,211.91 have been established by the Water Department to fully provide for possible adjustments of these additional charges. No provision has been made on the attached balance sheet for damages resulting from cancellation of these contracts, if any.

NOTE 3.

The combined bonded debt of the City and County of San Francisco applicable to the San Francisco Water Department and the Hetch Hetchy Water Supply and Power Project aggregated \$62,595,000.00 at June 30, 1956. This indebtedness was incurred upon the general faith and credit of the City and County of San Francisco and is summarized as follows:

	<u>MATURED</u>	<u>UNMATURED</u>	<u>TOTAL</u>
<u>WATER DEPARTMENT:</u>			
Spring Valley, July 1, 1928 - 4-1/2%	\$15,000.00	\$15,000,000.00	\$15,015,000.00
<u>HETCH HETCHY WATER SUPPLY AND POWER PROJECT:</u>			
Water, July 1, 1910 - 4-1/2%	1,000.00	9,000,000.00	9,001,000.00
Hetch Hetchy Water, January 1, 1925 - 5%		3,250,000.00	3,250,000.00
Hetch Hetchy, July 1, 1928 - 4-1/2%	1,000.00	13,200,000.00	13,201,000.00
Hetch Hetchy, June 1, 1932 - 2-3/4% to 5-3/4%	7,000.00	2,900,000.00	2,907,000.00
<u>1947 HETCH HETCHY WATER:</u>			
Series A, February 1, 1948 - 2% and 2-1/2%		4,500,000.00	4,500,000.00
Series D, November 1, 1949 - 1% to 1-1/2%		6,256,000.00	6,256,000.00
Series E, September 1, 1950 - 1-1/4% and 1-1/2%		3,570,000.00	3,570,000.00
Series F, August 1, 1953 - 2-1/4% to 6%		1,470,000.00	1,470,000.00
<u>1949 CHERRY VALLEY DAM:</u>			
Series A, March 1, 1952 - 1-1/4% and 1-1/2%		800,000.00	800,000.00
Series B, December 1, 1952 - 1-1/2% and 1-3/4%		2,625,000.00	2,625,000.00
	<u>\$24,000.00</u>	<u>\$62,571,000.00</u>	<u>\$62,595,000.00</u>

WATER DEPARTMENT  
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1956

NOTE 3. (Continued)

In general, the bonds mature serially in varying annual amounts through the fiscal year ending June 30, 1978. A summary of maturities for the succeeding five years follows:

YEAR ENDING  
JUNE 30,

1957	\$4,973,000.00
1958	4,972,000.00
1959	4,972,000.00
1960	4,972,000.00
1961	3,972,000.00

NOTE 4.

The Water Department carries insurance coverage with insurance carriers against losses from boiler explosion, burglary, plate glass, automobile public liability and property damage claims and casualty losses of buildings, with the exception of certain buildings having nominal values. The Water Department acts as self-insurer against other losses including other property casualty losses, other public liability and property damage claims, and workmen's compensation claims.

The Hetch Hetchy Water Supply and Power Project carries insurance coverage with insurance carriers against losses from public liability and property damage claims, and casualty losses of buildings, with the exception of certain buildings having nominal values. The Hetch Hetchy Water Supply and Power Project acts as self-insurer against other losses, including other property casualty losses and workmen's compensation claims.

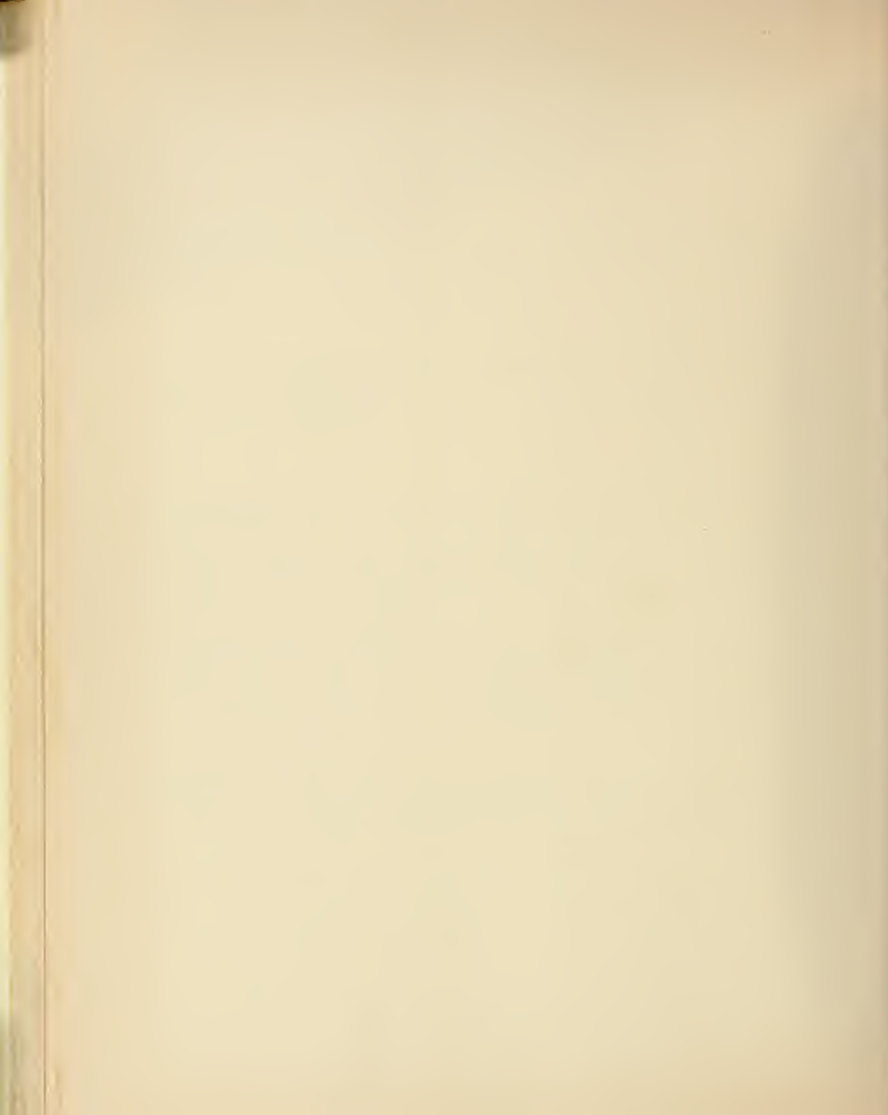
NOTE 5.

Under provisions of Section 122 of the Charter of the City and County of San Francisco, the Hetch Hetchy Water Supply and Power Project is to be merged, upon its completion, with the Water Department. In the opinion of the City Attorney, this project had not been completed at June 30, 1956.

NOTE 6.

The San Francisco Water Department was contingently liable as of June 30, 1956, under various property damage, personal injury, and water rate suits. The Hetch Hetchy Water Supply and Power Project was contingently liable as of June 30, 1956, under various suits for alleged damages to wells and springs, and personal injury. The aggregate amount of actual liability on these suits is indeterminable as of the date of this report.

The Hetch Hetchy Water Supply and Power Project is contingently liable to the United States Government for costs of road maintenance chargeable to Hetch Hetchy Water Supply and Power Project under the provisions of the Raker Act as affirmed by court decisions. The amount of such liability cannot be determined as of the date of this report.



# **Municipal Railway of San Francisco**



REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 1956



BARLOW, DAVIS & WOOD

CERTIFIED PUBLIC ACCOUNTANTS

HOBART BUILDING  
582 MARKET STREET  
SAN FRANCISCO 4  
GARFIELD 1-2992

Honorable H. D. Ross,  
Controller, City and  
County of San Francisco  
San Francisco, California

Dear Sir:

We have examined the balance sheet of the Municipal Railway of San Francisco as of June 30, 1956 and the related statements of income and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We now submit our report on the examination consisting of our comments on operations and on the balance sheet, together with related statements as set forth in the index appended hereto.

RESULTS OF OPERATIONS

The following comments are submitted for the purpose of further amplification and explanation of the financial statements and to set forth the apparent causes of certain operating results. Much of the statistical data contained in these comments has been obtained from records maintained by the Railway without verification by us.



The operations of the Railway for the year ended June 30, 1956 resulted in a loss of \$1,655,194.96 as compared with a loss of \$1,153,078.19 for the preceding year. A condensed summary and comparison of the results of operations for the year ended June 30, 1956 and 1955, is as follows (cents omitted):

	Year ended June 30,		Increase (Decrease)
	<u>1956</u>	<u>1955</u>	
Operating income:			
Passenger revenue	\$20,252,610	\$20,898,346	\$(645,736)
Advertising, rents, etc.	<u>203,411</u>	<u>189,197</u>	<u>14,214</u>
Total operating income	20,456,021	21,087,543	(631,522)
Operating expenses	<u>21,958,369</u>	<u>22,018,205</u>	<u>( 59,836)</u>
Loss from operations	1,502,348	930,662	(571,686)
Other income	92,563	56,618	35,945
	<u>1,409,785</u>	<u>874,044</u>	<u>(535,741)</u>
Other expense	<u>245,410</u>	<u>279,034</u>	<u>( 33,624)</u>
Loss for year	<u>\$ 1,655,195</u>	<u>\$ 1,153,078</u>	<u>\$(502,117)</u>

The decrease in passenger revenue was primarily attributable to a decrease of 4,411,574 in the number of fare passengers carried. This decrease amounted to 2.99% from the prior year compared to a decrease in revenue of 3.09%.

The following summary, taken from statistical records of the Railway, shows the mileage traversed during the past two years by the various types of equipment.

Type of equipment	Year ended June 30,				Increase (Decrease) Mileage
	1956	Per cent of total	1955	Per cent of total	
	Mileage		Mileage		
Electric street cars:					
Two-man	2,256,787	8.18	2,894,058	10.19	(637,271)
One-man	1,785,633	6.48	1,156,982	4.07	628,651
	<u>4,042,420</u>	<u>14.66</u>	<u>4,051,040</u>	<u>14.26</u>	<u>( 8,620)</u>
Motor coaches	13,649,522	49.51	13,910,957	48.98	(261,435)
Trolley coaches	9,402,570	34.11	9,950,268	35.04	(547,698)
Cable cars	473,868	1.72	488,944	1.72	( 15,076)
Total	<u>27,568,380</u>	<u>100.00</u>	<u>28,401,209</u>	<u>100.00</u>	<u>(832,829)</u>

The hours for which the various types of equipment were operated, as computed by the Railway, are shown by the following summary:

Type of equipment	Year ended June 30,				Increase (Decrease) Hours
	1956	Per cent of total	1955	Per cent of total	
	Hours		Hours		
Electric street cars:					
Two-man	251,166	8.29	313,997	10.05	( 62,831)
One-man	177,663	5.86	114,839	3.68	62,824
	<u>428,829</u>	<u>14.15</u>	<u>428,836</u>	<u>13.73</u>	<u>( 7)</u>
Motor coaches	1,385,701	45.74	1,410,430	45.16	( 24,729)
Trolley coaches	1,120,758	37.00	1,190,071	38.10	( 69,313)
Cable cars	94,184	3.11	94,041	3.01	143
Total	<u>3,029,472</u>	<u>100.00</u>	<u>3,123,378</u>	<u>100.00</u>	<u>( 93,906)</u>

The overall reduction in both miles traveled (2.93%) and hours operated (3.01%) results primarily from the curtailment of service on various routes in continuance of the trend of recent years.

Operating income and expenses are expressed in cents per mile traversed as follows:

	Cents Per Mile		
	Year ended June 30,	1955	Increase (Decrease)
	1956		
Operating income:			
Passenger revenue	73.463	73.583	( .120)
Advertising, rents, etc.	<u>.738</u>	<u>.666</u>	<u>.072</u>
Total operating income	<u>74.201</u>	<u>74.249</u>	<u>( .048)</u>
Operating expenses:			
Maintenance and repairs:			
Way and Structures	2.655	2.466	.189
Equipment	<u>8.130</u>	<u>7.837</u>	<u>.293</u>
Total maintenance and repairs	10.785	10.303	.482
Power	7.258	7.640	( .382)
Conducting transportation	40.336	38.707	1.629
General and miscellaneous	8.782	8.530	.252
Payroll taxes	<u>.838</u>	<u>.727</u>	<u>.111</u>
	<u>67.999</u>	<u>65.907</u>	<u>2.092</u>
Provision for accident claims	5.510	5.519	( .009)
Depreciation	5.076	6.100	(1.024)
Rent of leased coaches	<u>1.065</u>		<u>1.065</u>
Total operating expenses	<u>79.650</u>	<u>77.526</u>	<u>2.124</u>
Loss from operations	<u>5.449</u>	<u>3.277</u>	<u>2.172</u>

Operating income and expenses are expressed in dollars per hour of operation as follows:

	Dollars Per Hour		
	Year ended June 30, <u>1956</u>	<u>1955</u>	Increase (Decrease)
Operating income:			
Passenger revenue	\$6.685	\$6.691	\$(.006)
Advertising, rents, etc.	<u>.067</u>	<u>.061</u>	<u>.006</u>
Total operating income	<u>6.752</u>	<u>6.752</u>	<u>.000</u>
Operating expenses:			
Maintenance and repairs:			
Way and structures	.242	.224	.018
Equipment	<u>.740</u>	<u>.713</u>	<u>.027</u>
Total maintenance and repairs	.982	.937	.045
Power	.660	.695	(.035)
Conducting transportation	3.671	3.520	.151
General and miscellaneous	.799	.775	.024
Payroll taxes	<u>.076</u>	<u>.066</u>	<u>.010</u>
	6.188	5.993	.195
Provision for accident claims	.501	.502	(.001)
Depreciation	.462	.555	(.093)
Rent of leased coaches	<u>.097</u>		<u>.097</u>
Total operating expense	<u>7.248</u>	<u>7.050</u>	<u>.198</u>
Loss from operations	<u>\$ .496</u>	<u>\$ .298</u>	<u>\$ .198</u>

The following summarizes the decrease in operating expenses for the year ended June 30, 1956 as compared with the preceding year (cents omitted):

	Increase (Decrease) In Operating Expenses		
	<u>Total</u>	<u>Payroll</u>	<u>Other</u>
Maintenance and repairs:			
Way and structures	\$ 31,607	\$ 17,482	\$ 14,125
Equipment	15,652	64,652	( 49,000)
	<u>47,259</u>	<u>82,134</u>	<u>( 34,875)</u>
Power	(168,909)	( 663)	(168,246)
Conducting transportation	126,682	124,197	2,485
General and miscellaneous	( 1,701)	11,742	( 13,443)
Payroll taxes	24,590		24,590
	<u>27,921</u>	<u>217,410</u>	<u>(189,489)</u>
Provision for accident claims	( 48,430)		( 48,430)
Depreciation	(333,132)		(333,132)
Rent of leased coaches	293,805		293,805
Increase (decrease) in operating expenses	<u>\$ ( 59,836)</u>	<u>\$ 217,410</u>	<u>\$ (277,246)</u>

The increase of \$124,197 in conducting transportation payroll expense consists of an increase in operators' wages of \$52,323 plus an increase in other salaries and wages totaling \$71,874. The increase in operators' wages has been analyzed as follows:

Increase due to operators' wage rate increase of 5.16%	\$416,000
--	-----------

Decreases:

Decline in operations, determined by applying per cent of decrease in equipment operating hours against 1954-55 total wages paid as to each classification	\$225,000
--	-----------

Additional changeovers from two-man to one-man operations on certain street car runs - 62,824 additional one-man hours of operations compared to 1954-55 extended at \$1.939 per hour (1954-55 rate)

Balance, reason undetermined	122,000	
	<u>16,677</u>	<u>363,677</u>
Net increase		<u>\$ 52,323</u>

The increases in other payroll costs resulted primarily from the increases in pay rates effective July 1, 1955, the change in the number of employees being negligible. Comparative rates for some of the principal payroll classifications for the year under review and for the preceding year follow:

Classification	Number employed*	Rates effective during fiscal year		
		Per	1955-56	1954-55
Platform men	2,028	Hour	\$ 2.04**	\$ 1.939
Trackmen	48	Day	17.40	16.40
Shop mechanics	37	Day	17.35	17.17
Senior shop mechanics	95	Day	21.00	20.20
Automotive mechanics	65	Week	103.50	98.50
Automotive mechinists	41	Week	108.50	103.50
Car cleaners and janitors	121	Month	265-310	255-305
Inspectors	106	Month	370-420	360-410
General clerks	96	Month	270-325	265-325

\*In accordance with wage and salary ordinance for 1955-56

\*\*If employed prior to January 11, 1955

The decrease in power costs other than payroll consists of the following:

Decreases:

Cost of electricity used in street car, trolley coach and cable car operations	\$ 21,926
Cost of gasoline and diesel fuels used in motor coach operations	<u>149,657</u>
	<u>171,583</u>

Increase in miscellaneous other non-payroll  
power costs

3,337  
\$168,246

The decline in electrical power costs is due primarily to decreased hours of operations, the rates per kilowatt hour having remained constant. The decline in gasoline and diesel fuel costs while also due somewhat to the decline in hours of operations is, judging from the cost records maintained by the Railway, due primarily to the substitution of 170 new diesel coaches placed in operation commencing in December, 1955 for gasoline and diesel coaches which were retired. Cost statements as prepared by personnel of the Railway indicate that the fuel cost per mile of the new diesel coaches was \$.04448 for the year ended June 30, 1956 as compared

to \$.08172 per mile for other motor coaches. The Railway's statistics show these new coaches as having operated a total of 2,558,075 miles through June 30, 1956. The new diesel coaches are leased by the Railway whereas the coaches which were replaced were owned.

An increase of \$48,430 in payroll taxes results primarily from an increase from \$3,600 to \$4,200 in the maximum amount of each employee's wages or salary subject to the tax. The decline by \$48,430 in the provision for accident claims results directly from the decline in gross passenger revenue inasmuch as provision has been made at a constant rate per dollar of revenue for the two years. The decrease in depreciation, \$333,132, results from assets becoming fully depreciated during the prior year but either continuing in use or being replaced by leased equipment.

#### FINANCIAL CONDITION

Presented below is a summary of the Railway's balance sheet with comparative amounts at June 30, 1955.

	<u>June 30,</u> <u>1956</u>	<u>1955</u>	<u>Increase</u> <u>(Decrease)</u>
<b>ASSETS:</b>			
Fixed capital (net of depreciation)	\$16,363,553.66	\$17,473,845.98	\$(1,110,292.32)
Cash	3,847,228.46	3,826,156.46	21,072.00
Accounts receivable	89,196.14	52,520.93	36,675.21
Deferred charges:			
Materials and supplies	651,765.88	717,846.56	( 66,080.68)
Prepaid rentals of leased coaches	789,001.01		789,001.01
Other items	24,814.54	17,764.58	7,049.96
Commitments	217,396.08	496,037.26	( 278,641.18)
Total	<u>\$21,982,955.77</u>	<u>\$22,584,171.77</u>	<u>\$( 601,216.00)</u>
<b>LIABILITIES AND SURPLUS:</b>			
Bonded debt	12,269,200.00	13,868,200.00	(1,599,000.00)
Bond interest payable	87,968.31	96,431.88	( 8,463.57)
Accounts payable, commitments, etc.	1,633,195.62	1,803,345.51	( 170,149.89)
Reserves	2,738,586.37	3,001,108.25	( 262,521.88)
Deferred credits	8,246.31	12,310.10	( 4,063.79)
Contributed surplus	14,371,943.30	11,273,765.21	3,098,178.09
Deficit from operations	(9,126,184.14)	(7,470,989.18)	(1,655,194.96)
Total	<u>\$21,982,955.77</u>	<u>\$22,584,171.77</u>	<u>\$( 601,216.00)</u>

The increase in cash as of June 30, 1956, as compared with June 30, 1955, is explained by the following summary of funds provided and funds applied:

Funds provided:

Contributions from General Fund of the City and County of San Francisco - from general taxes for operating expenses	\$3,098,178.09
Decrease in materials and supplies (net of valuation adjustment of \$6,291.62 charged to operations - see below)	
	<u>59,789.06</u>
	<u>3,157,967.15</u>

Funds applied:

To net loss before deducting charges which do not represent the expenditure of cash (represented by the net loss for the year of \$1,655,194.96 offset by non-cash charges for depreciation, \$1,399,251.37; fixed capital assets retired, \$26,892.63; and obsolescence of materials and supplies, \$6,291.62)	\$ 222,759.34	
Additions to fixed capital assets	51,447.37	
Increase in construction in progress	264,404.31	
Increase in accounts receivable	36,675.21	
Increase in deferred charges	517,409.79	
Redemption of bonded indebtedness	1,599,000.00	
Decrease in bond interest payable	8,463.57	
Decrease in accounts payable	170,149.89	
Decrease in reserves:		
Accident claims	241,207.46	
Employees' compensation claims	21,000.00	
Token liability	314.42	
Decrease in deferred credits	<u>4,063.79</u>	<u>3,136,895.15</u>
Increase in cash as of June 30, 1956		<u>\$ 21,072.00</u>



Road and Equipment - \$39,674,111.84  
Accumulated Depreciation - \$23,612,502.47

The recorded value of the Railway's investment in fixed assets, other than construction work in progress at June 30, 1956, is set forth in the accompanying Schedule "1". The related depreciation is shown in Schedule "2".

A substantial portion of the fixed assets is recorded in the accounts at appraisal valuations as of various dates determined by the Public Utilities Commission of the City and County of San Francisco.

Properties acquired prior to June 30, 1938 are recorded at appraisal valuations as of that date. Additions to property, subsequent to June 30, 1938, are recorded substantially at cost with the exception of the Market Street Extension which was recorded at the appraisal valuations as of September 29, 1944. Properties acquired from California Street Cable Railway Company were purchased with general funds of the City and County of San Francisco for \$150,000.00 and contributed to the Railway.

In accordance with Section 128 of the Charter, an appraisal of the properties of the Railway was made as at June 30, 1953 to determine the values, the probable useful life, and the reasonable annual depreciation, based upon a revision of the previous appraisal made as at June 30, 1948. The net adjustment to the recorded costs and depreciation reserves resulting from this appraisal were recorded during the preceding two fiscal years.

The engineering report made by the Public Utilities Commission engineers in connection with the appraisal indicated that the recorded cost of non-operated track, roadway, and underground conduit, at June 30, 1953, all fully depreciated, amounted to \$2,497,988.49. During the three ensuing years ending June 30, 1956, assets and related accumulated depreciation included in the above have been retired in the amount of \$2,421,008.50 leaving a balance at June 30, 1956 of \$76,979.99.

It is the practice of the Railway to record the first depreciation of an addition to fixed assets in the year following that in which the asset is put in service, and to charge income with a full year's depreciation in the year of retirement.

Additions to road and equipment during the year ended June 30, 1956 are as follows:

Way and structures:

Construction of tail sheaves at Van Ness Avenue and California Street and rehabilitation of blind channel on Mason Street		\$28,403.94
Installation of straight tracks in Geary Street at Stockton Street		5,608.06
Poles and fixtures		1,557.66
		<u>35,569.66</u>

Equipment:

Acquisition of ten new radio cars	\$12,566.31	
Shop equipment	<u>3,311.40</u>	15,877.71
		<u>\$51,447.37</u>

Total

The following is a summary of recorded retirements during the year ended June 30, 1956:

	<u>Road and equipment</u>	<u>Depreciation to date of retirement</u>
Way and structures:		
Tracks, etc.:		
Cable tracks on California Street, Van Ness Avenue to Walnut Street	\$ 603,249.31	\$ 597,612.04
Stockton Street, tunnel to Columbus Avenue	67,270.28	66,235.46
Roadway machinery and tools	1,162.44	1,162.44
Trolley poles:		
From Market Street Extension	19,741.71	18,754.63
Stockton Street	2,373.85	2,255.16
Others	151.50	143.93
Overhead lines:		
From Market Street Extension	4,824.95	4,101.21
Stockton Street	6,848.35	5,821.10
	<u>705,622.39</u>	<u>696,085.97</u>
Equipment:		
Seventy-seven motor coaches	875,711.09	864,763.74
Nine trolley coaches	82,230.00	81,330.00
Six cable cars	66,415.50	66,415.50
Twelve street cars	59,586.02	57,186.02
Five electric work cars	46,453.00	45,988.77
Ten passenger automobiles	11,233.30	10,671.68
Electric equipment - street cars	51,476.88	50,090.73
Electric equipment - trolley coaches	41,019.00	40,569.00
Shop equipment	2,143.47	1,896.61
	<u>1,236,268.26</u>	<u>1,218,912.05</u>
Total retirements	<u>\$1,941,890.65</u>	<u>\$1,914,998.02</u>

We were advised that an additional twenty-six motor coaches were to be retired after June 30, 1956 and that forty-nine motor coaches were to be placed in storage with the intention of subsequently overhauling them.

Cash - \$3,847,228.46

Cash at June 30, 1956 consisted of the following:

On deposit with the Treasurer of the City and County of San Francisco:	
Operating fund	\$3,776,393.35
1947 Municipal Railway Rehabilitation bond fund	54,008.86
Bond interest funds:	
1947 Municipal Railway Rehabilitation bond fund	1,348.75
Issue of December 1, 1913	232.50
Geary Street issue of 1910	22.50
Market Street issue of 1910	22.50
Bond redemption fund - Issue of December 1, 1913	200.00
Total on deposit with Treasurer	<u>3,832,228.46</u>
Revolving funds	15,000.00
Total cash	<u><u>\$3,847,228.46</u></u>

We examined a copy of the Treasurer's report reconciling the Treasurer's balances of the Operating fund and the 1947 Municipal Railway Rehabilitation bond fund at June 1, 1956, with the balances reflected by the Railway's books at June 30, 1956. The detail of warrants outstanding used in the Treasurer's reconciliation was determined by reference to the Controller's records. Warrants paid subsequent to June 30, 1956 were examined by us. We also examined originals and copies of warrants issued during the year on a test basis and compared them with the records of warrants issued as maintained by the Railway.

Revolving fund bank accounts were reconciled by us with amounts certified to us directly by the depositories and cash funds were counted or confirmations were obtained from custodians for amounts shown to be in their possession.

Accounts Receivable - \$55,237.50

Following is the detail of accounts receivable as of June 30, 1956:

Fielder, Sorensen & Davis (advertising revenue)	\$20,012.84
United States Post Office Department (balance for quarter ended June 30, 1956 under contract to furnish transportation to mail carriers)	17,438.00
San Francisco Unified School District (charter services)	7,865.33
Johnson & Higgins of California (insurance premium adjustment)	3,582.99
Pacific Gas & Electric Company (pole rental)	2,854.00
State of California (job reimbursement)	1,875.45
Nichols & Fay (insurance refund)	1,413.83
Other	<u>195.06</u>
Total	<u>\$55,237.50</u>

The balance with Fielder, Sorensen & Davis was confirmed by direct communication with the debtor. The remaining balances with the exception of the "Other" group above were compared with the debtor remittance advices or other evidences of payment in July and August, 1956. It appears that no losses will be incurred in the collection of any balances outstanding at June 30, 1956.

Materials and Supplies - \$651,765.88

This balance consists of the aggregate book value of the inventories of materials and supplies totaling \$651,764.88, plus metal tokens at the nominal valuation of \$1.00.

The amount of materials and supplies inventories was determined by a tabulation of perpetual inventory records as of May 25, 1956, adjusted for subsequent receipts and issues to June 30, 1956. We were informed that physical counts were made by employees at various times during the year and that the perpetual inventory records were adjusted to such counts. Our review of the perpetual inventory records showed evidence to that effect. These inventories were priced at cost, determined by a moving average, or at estimated scrap or useful value if less than cost.

We made tests of the quantities in the inventory by physical counts, and tested the pricing and computations. The factor of inventory obsolescence was discussed with employees responsible for the inventory preparation. Based upon their opinion, the amount of \$13,304.38 has been provided for estimated obsolescence.

Prepaid Rental of Leased Motor Coaches - \$789,001.01

On May 16, 1955 the Municipal Railway of San Francisco entered into a contract with the Mack Motor Truck Corporation for the lease of a minimum of 440 diesel motor coaches, deliveries to be made, as scheduled in the agreement, over a period commencing December 1, 1955 and ending July 1, 1960. As of June 30, 1956, a total of 170 coaches had been delivered for which \$1,082,806.10 had been paid for advance rental, interest, freight and use taxes. Of these total disbursements, \$293,805.09 was applied to expense during the year on the basis of \$0.114854 per mile operated by the coaches, leaving a balance of \$789,001.01 to be applied to future miles of operations.

Reserve for Accident Claims - \$2,595,595.45

A summary of the changes in this reserve during the year ended June 30, 1956 is as follows:

Balance as of June 30, 1955		\$2,836,802.91
Provision for accidents		1,518,945.72
Total		<u>4,355,748.63</u>
Less:		
Claims paid and miscellaneous expenses, net of recoveries from insurance carriers	\$1,305,956.23	
Services of City Attorney's office	122,347.00	
Claims department payroll	169,651.96	
Cost of excess liability insurance coverage	<u>162,197.99</u>	1,760,153.18
Balance as of June 30, 1956		<u>\$2,595,595.45</u>

Provision for accident claims has for several years been made on the basis of 7-1/2% of gross passenger revenue. Our review of the history of claim payments compared to claims presented indicates that the reserve balance at June 30, 1956 is adequate to meet payments reasonably to be expected under claims unsettled at June 30, 1956. However, in view of the continuing decline in passenger revenue without accompanying decreases in accident claim settlements, we believe that consideration should be given to an upward adjustment for the future in the rate of provision to assure continuing adequacy in the reserve balance.

Reserve for Employees'  
Compensation Claims - \$142,000.00

The amount of this reserve has been established on the basis of information as to the amount of compensation claims of employees estimated to be outstanding at June 30, 1956, as furnished by the City and County of San Francisco Employee Retirement System. The above balance represents a reduction of \$21,000.00 from the reserve balance at June 30, 1955.

Deferred Credits - \$8,246.31

Deferred credits at June 30, 1956 consist of unamortized bond premium, \$6,130.04, deposits expected to be applied against jobs in process for others, \$1,118.87, and miscellaneous small items totaling \$997.40, whose final disposition is being deferred to subsequent periods.

OPINION

In our opinion the accompanying balance sheet and related statements of income and surplus present fairly the financial position of Municipal Railway of San Francisco at June 30, 1956 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Yours truly,

*Barlow, Davis & Wood*

San Francisco, California  
September 12, 1956

# INDEX TO STATEMENTS

- Exhibit "A" - Balance Sheet as of June 30, 1956
- Exhibit "B" - Statement of Income for the years ended June 30, 1956 and 1955, and comparison
- Exhibit "C" - Statement of Surplus for the year ended June 30, 1956
- Schedule "1" - Summary of Road and Equipment for the year ended June 30, 1956
- Schedule "2" - Summary of Road and Equipment Depreciation for the year ended June 30, 1956
- Schedule "3" - Unmatured Bonded Debt as of June 30, 1956



MUNICIPAL RAILWAY OF SAN FRANCISCO  
BALANCE SHEET  
AS OF JUNE 30, 1956

ASSETS

FIXED CAPITAL:		
Road and equipment (Schedule "1").....	\$39,674,111.84	
Less accumulated depreciation to date (Schedule "2").....		23,612,502.47
Road and equipment, net book value.....		<u>16,061,609.37</u>
Construction work in progress.....		301,944.29
		<u>16,363,553.66</u>
CASH:		
On deposit with treasurer.....	\$3,832,228.46	
Revolving funds.....	<u>15,000.00</u>	3,847,228.46
ACCOUNTS RECEIVABLE.....		55,237.50
INTERFUND ACCOUNTS RECEIVABLE:		
Due from General City and County.....	19,068.07	
Due from other public service enterprises.....	<u>14,890.57</u>	33,958.64
DEFERRED CHARGES:		
Materials and supplies - at average cost, or estimated scrap or useful value.....	651,765.88	
Prepaid rental of leased motor coaches.....	789,001.01	
Prepaid insurance premiums and other deferred charges.....	24,814.54	
Uncompleted contracts, purchase orders, and other commitments (see contra).....	<u>217,396.08</u>	1,682,977.51
TOTAL.....		<u>\$21,982,955.77</u>



MUNICIPAL RAILWAY OF SAN FRANCISCO  
BALANCE SHEET - (Continued)  
AS OF JUNE 30, 1956

LIABILITIES

BONDED DEBT:

Unmatured bonds (Schedule "3"):

Maturing within one year.....	\$ 1,599,000.00
Maturing subsequent to June 30, 1957.....	10,670,000.00
Total unmaturing bonds.....	<u>12,269,000.00</u>
Matured bonds not presented for payment.....	200.00
	<u>12,269,200.00</u>

BOND INTEREST PAYABLE:

Accrued but not due.....	\$ 86,342.06
Matured coupons not presented for payment.....	<u>1,626.25</u>
	87,968.31

ACCOUNTS PAYABLE, COMMITMENTS, ETC.:

Outstanding warrants and payroll deductions.....	931,444.23
General creditors.....	175,014.94
Accrued Federal Insurance Contribution Act Tax.....	33,638.44
Accrued California Use Tax.....	4,344.89
Accrued payrolls.....	<u>3,704.13</u>
Total accounts payable and accrued liabilities.....	1,148,146.63
Uncompleted contracts, purchase orders, and other commitments (see contra).....	<u>217,396.08</u>
	1,365,542.71

INTERFUND ACCOUNTS PAYABLE:

Due to General City and County.....	197,519.97
Due to other public service enterprises.....	<u>70,132.94</u>
	267,652.91

RESERVES:

Accident claims.....	2,595,595.45
Employees' compensation claims.....	142,000.00
Outstanding tokens.....	<u>990.92</u>
	2,738,586.37

DEFERRED CREDITS.....	8,246.31
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SURPLUS (Exhibit "C"):

Contributed surplus.....	14,371,943.30
Less deficit from operations.....	<u>9,126,184.14</u>
	5,245,759.16

TOTAL..... \$21,982,955.77

MUNICIPAL RAILWAY OF SAN FRANCISCO  
STATEMENT OF INCOME  
FOR THE YEARS ENDED JUNE 30, 1956 AND 1955,  
AND COMPARISON

	<u>Year ended June 30,</u>		<u>Increase</u>
	<u>1956</u>	<u>1955</u>	<u>(Decrease)</u>
OPERATING INCOME:			
Passenger revenue....	\$20,252,609.60	\$20,898,346.27	\$(645,736.67)
Advertising revenue..	155,466.70	143,339.88	12,126.82
Rents.....	16,718.01	15,885.34	832.67
Other.....	31,226.84	29,971.80	1,255.04
TOTAL OPERATING INCOME.....	<u>20,456,021.15</u>	<u>21,087,543.29</u>	<u>(631,522.14)</u>
OPERATING EXPENSES:			
Maintenance and repairs:			
Way and structures.	731,950.84	700,343.64	31,607.20
Equipment.....	<u>2,241,422.40</u>	<u>2,225,770.40</u>	<u>15,652.00</u>
Total maintenance and repairs.....	2,973,373.24	2,926,114.04	47,259.20
Power.....	2,001,050.20	2,169,958.90	(168,908.70)
Conducting transportation.....	11,119,861.24	10,993,179.54	126,681.70
General and miscellaneous.....	2,421,004.70	2,422,706.44	( 1,701.74)
Payroll taxes.....	<u>231,077.18</u>	<u>206,487.02</u>	<u>24,590.16</u>
Total operating expenses before provision for accidents and depreciation.....	18,746,366.56	18,718,445.94	27,920.62
Provision for accident claims.....	1,518,945.72	1,567,375.97	( 48,430.25)
Depreciation (Schedule "2").....	1,399,251.37	1,732,383.04	(333,131.67)
Rent of leased coaches.....	<u>293,805.09</u>	<u>293,805.09</u>	<u>293,805.09</u>
TOTAL OPERATING EXPENSES.....	<u>21,958,368.74</u>	<u>22,018,204.95</u>	<u>( 59,836.21)</u>
LOSS FROM OPERATIONS (carried forward).....	\$ 1,502,347.59	\$ 930,661.66	\$ 571,685.93

MUNICIPAL RAILWAY OF SAN FRANCISCO  
STATEMENT OF INCOME - (Continued)  
FOR THE YEARS ENDED JUNE 30, 1956 AND 1955,  
AND COMPARISON

	<u>Year ended June 30,</u>		<u>Increase</u>
	<u>1956</u>	<u>1955</u>	<u>(Decrease)</u>
LOSS FROM OPERATIONS (brought forward).....	\$ <u>1,502,347.59</u>	\$ <u>930,661.66</u>	\$ <u>571,685.93</u>
OTHER EXPENSES - NET:			
Interest on bonded debt.....	227,698.57	249,193.47	( 21,494.90)
Obsolescence of materials and supplies.....	6,291.62	1,055.76	5,235.86
Loss on fixed capital assets retired.....	<u>11,420.02</u>	<u>28,785.17</u>	<u>( 17,365.15)</u>
	<u>245,410.21</u>	<u>279,034.40</u>	<u>( 33,624.19)</u>
Less other income:			
Interest on bank balances.....	27,642.60	18,417.25	9,225.35
Gains from sales of fixed capital assets and sal- vage, and miscellaneous income.....	59,402.18	38,200.62	21,201.56
Net adjustments to prior years' losses (see footnote).....	<u>5,518.06</u>	<u>56,617.87</u>	<u>5,518.06</u>
	<u>92,562.84</u>	<u>56,617.87</u>	<u>35,944.97</u>
OTHER EXPENSES - NET.....	<u>152,847.37</u>	<u>222,416.53</u>	<u>( 69,569.16)</u>
NET LOSS.....	\$ <u>1,655,194.96</u>	\$ <u>1,153,078.19</u>	\$ <u>502,116.77</u>

Note: Effective with the year ended June 30, 1956, adjustments to prior years' losses are being applied to other income and expense instead of directly to deficit from operations. Such adjustments originating in the year ended June 30, 1955 resulted in a net direct charge to deficit from operations in the amount of \$17,845.25. Had such adjustments been applied to other income and expenses the net loss for that year would have been \$1,170,923.44.

MUNICIPAL RAILWAY OF SAN FRANCISCO  
STATEMENT OF SURPLUS  
FOR THE YEAR ENDED JUNE 30, 1956

CONTRIBUTED SURPLUS

Balance as of June 30, 1955.....	\$11,273,765.21
Contributions from General Fund of the City and County of San Francisco - from general taxes.....	3,098,178.09
Balance as of June 30, 1956.....	<u>\$14,371,943.30</u>

DEFICIT FROM OPERATIONS

Balance as of June 30, 1955.....	\$ 7,470,989.18
Loss from operations for the year ended June 30, 1956 (Exhibit "B").....	1,655,194.96
Balance as of June 30, 1956.....	<u>\$ 9,126,184.14</u>

MUNICIPAL RAILWAY OF SAN FRANCISCO  
SUMMARY OF ROAD AND EQUIPMENT  
FOR THE YEAR ENDED JUNE 30, 1956

	Balance June 30, 1955	Additions	Retirements	Balance June 30, 1956
<b>WAY AND STRUCTURES:</b>				
Right of way.....	\$ 137,632.33			\$ 137,632.33
Other land.....	1,132,369.70			1,132,369.70
Grading.....	328,921.20	349.40		331,522.74
Ties.....	338,921.20			338,921.20
Tracks.....	226,268.45	194.56		226,208.47
Rails, rail fastenings, and joints.....	1,233,846.35			1,175,252.47
Special track work.....	1,559,406.75			58,788.44
Track and roadway labor.....	1,559,406.75			415,442.37
Truck and roadway labor.....	1,688,756.52			1,688,756.52
Paving.....	1,309,667.68			1,631,235.54
Roadway machinery and tools.....	67,449.54	1,723.32		69,172.86
Highways.....	1,434.35			1,434.35
Bridges, trestles, and culverts.....	49,370.29			49,370.29
Crossings, fences, and signs.....	20,965.76			20,965.76
Signals and interlocking apparatus.....	1,555,791.57	1,537.66		1,555,082.27
Communication systems.....	421,892.56			421,892.56
Underground conduits.....	3,738,380.74	116.59		3,738,833.96
Distribution system.....	5,314,072.47			5,314,072.47
General office buildings, cable cars, and other structures.....	167,306.53			167,306.53
Stations, miscellaneous buildings, and structures.....	20,614,786.34	35,565.66		19,584,733.61
<b>TOTAL WAY AND STRUCTURES.....</b>	<b>20,614,786.34</b>	<b>35,565.66</b>	<b>705,922.39</b>	<b>19,584,733.61</b>
<b>EQUIPMENT:</b>				
Electric street cars.....	2,156,366.66			2,095,780.64
Cable cars.....	460,575.33			5,785,840.50
Motor coaches.....	6,911,115.52			7,479,465.52
Tramcars.....	7,135,854.52			135,884.00
Fare boxes.....	119,940.04			46,453.00
Service equipment, electric.....	1,102,194.51	3,311.40		1,073,487.04
Electric equipment of street cars and trolley coaches.....	234,892.24			92,493.52
Automotive and office equipment.....	240,947.51			859,614.52
Furniture and office equipment.....	19,452,594.49			234,892.24
Automotive and miscellaneous service equipment.....	367,222.17			242,280.62
<b>TOTAL EQUIPMENT.....</b>	<b>19,452,594.49</b>	<b>15,877.71</b>	<b>1,233.30</b>	<b>18,272,203.94</b>
<b>POWER:</b>				
Substation buildings.....	367,222.17			367,222.17
Power plant equipment, cable cars.....	361,962.00			361,962.00
Transmission system.....	730,806.36			730,806.36
Transmission system.....	730,806.36			730,806.36
<b>TOTAL POWER.....</b>	<b>1,437,174.29</b>	<b>\$1,941,890.55</b>	<b>1,437,174.29</b>	<b>\$1,437,174.29</b>
<b>TOTALS.....</b>	<b>\$41,564,555.12</b>	<b>\$31,447.37</b>	<b>\$1,941,890.55</b>	<b>\$39,674,111.93</b>

See Notes to Schedules "1" and "2".

MUNICIPAL RAILWAY OF SAN FRANCISCO  
SUMMARY OF ROAD AND EQUIPMENT DEPRECIATION  
FOR THE YEAR ENDED JUNE 30, 1956

	Balance June 30, 1955	Depreciation for Year Ended June 30, 1956	Retirements	Balance June 30, 1956
<b>WAY AND STRUCTURES:</b>				
Grading.....	\$ 304,456.48	\$ 30,621.85	\$ 12,518.55	\$ 322,559.78
Ballast.....	231,641.46	7,072.08	3,307.44	255,406.10
Track.....	835,568.96	22,623.53	54,673.25	803,519.24
Rails, rail fastenings, and joints.....	308,223.98	8,229.40	15,397.19	301,056.19
Special track work.....	1,867,062.28	1,101.90	415,759.98	1,452,404.20
Underground construction.....	901,568.32	27,426.96	89,377.10	849,617.18
Highways and roadway labor.....	53,864.35		( 671.01)	55,290.02
Paving.....	14,987.49			14,987.49
Roadway machinery and tools.....	46,878.71			46,878.71
Tunnels and subways.....	12,316.88			12,316.88
Signals, fences, and signs.....	32,119.02			32,119.02
Crossings, fences, and signs.....	287,713.53			287,713.53
Communication systems.....	1,380,688.70			1,380,688.70
Underground conduit.....	2,19,958.79			2,19,958.79
Distribution systems.....	105,448.51			105,448.51
General office buildings, cable cars.....	2,227,419.18			2,227,419.18
Shops, carhouses and garages.....	2,047,027.07			2,047,027.07
Stations, amusements, buildings, and structures.....	10,438,125.37			10,438,125.37
<b>TOTAL WAY AND STRUCTURES.....</b>	<b>10,438,125.37</b>	<b>398,631.14</b>	<b>695,085.97</b>	<b>10,140,670.74</b>
<b>EQUIPMENT:</b>				
Electric street cars.....	1,327,777.58	58,778.41	57,186.02	1,329,369.97
Cable cars.....	1,452,939.33		66,415.50	1,386,523.83
Motor coaches.....	6,194,053.98	343,281.87	864,763.74	5,672,572.11
Trolley coaches.....	2,788,816.99	495,645.49	81,330.00	3,203,132.38
Service equipment, electric.....	116,829.84	1,538.24		118,368.08
Service equipment, mechanical.....	775,415.87	20,351.93	45,988.77	727,379.31
Electric equipment of street cars and trolley coaches.....	554,473.41	30,211.76	90,659.73	705,108.07
Shop equipment, office equipment.....	181,253.88		1,896.61	183,150.49
Automotive and miscellaneous service equipment.....	12,619,730.37	19,682.19	10,671.68	170,264.39
<b>TOTAL EQUIPMENT.....</b>	<b>12,619,730.37</b>	<b>986,756.74</b>	<b>1,218,912.05</b>	<b>12,387,577.06</b>
<b>POWER:</b>				
Substation buildings.....	263,398.70	6,178.96		269,577.66
Power plant equipment, cable cars.....	349,184.10	618.60		349,802.70
Substation equipment.....	451,076.36	7,069.83		458,146.29
Transmission.....	1,070,333.18	13,361.49		1,083,694.67
<b>TOTAL POWER.....</b>	<b>2,134,092.34</b>	<b>17,168.88</b>	<b>\$ 214,558.02</b>	<b>\$ 2,149,709.20</b>
<b>TOTAL.....</b>	<b>\$ 21,382,219.12</b>	<b>\$ 1,399,251.37</b>	<b>\$ 914,558.02</b>	<b>\$ 20,767,912.47</b>

See Notes to Schedule "1" and "2".

MUNICIPAL RAILWAY OF SAN FRANCISCO  
NOTES TO SCHEDULES "1" and "2"  
FOR THE YEAR ENDED JUNE 30, 1956

1. Fixed capital assets are stated at appraisal valuations at June 30, 1953, with subsequent additions at cost. Accumulated depreciation is stated at amounts determined by the appraisal of June 30, 1953, with subsequent additions based upon remaining useful lives determined by the appraisal or assigned to newly acquired assets.
2. Included in Way and Structures at June 30, 1956 are nonoperated track, roadway, and underground conduit, totaling \$76,979.99. These assets are fully depreciated. The amount of nonoperated assets carried in other classifications has not been determined.

MUNICIPAL RAILWAY OF SAN FRANCISCO  
UNMATURED BONDED DEBT  
AS OF JUNE 30, 1956

## REHABILITATION ISSUE OF 1947:

	Interest Rate	Principal Amount Per Annum	Dates	Principal Amount Outstanding June 30, 1956
Series A (dated February 1, 1948).....	2%	\$433,000	February 1, 1957-58	\$ 866,000
	2-1/2%	433,000	February 1, 1959-63	<u>2,165,000</u>
Series B (dated August 1, 1948).....	1-3/4%	123,000	August 1, 1956	123,000
	1-3/4%	559,000	August 1, 1957-58	1,118,000
	2%	559,000	August 1, 1959-60	1,118,000
	2%	560,000	August 1, 1961-63	<u>1,680,000</u>
Series C (dated March 1, 1949).....	1-1/2%	90,000	March 1, 1957	90,000
	1-1/2%	380,000	March 1, 1958	380,000
	1-1/2%	400,000	March 1, 1959-64	<u>2,400,000</u>
Series D (dated August 1, 1949).....	1-1/4%	105,000	August 1, 1956	105,000
	1-1/4%	104,000	August 1, 1957-60	416,000
	1-1/2%	104,000	August 1, 1961-64	<u>416,000</u>
Series E (dated November 1, 1949).....	1%	38,000	November 1, 1956	38,000
	1-1/4%	38,000	November 1, 1957-61	190,000
	1-1/2%	38,000	November 1, 1962-64	<u>114,000</u>
Series F (dated September 1, 1950).....	1%	690,000	September 1, 1956	690,000
Series G (dated March 1, 1952).....	1-1/4%	120,000	March 1, 1957-59	<u>360,000</u>
TOTAL UNMATURED BONDED DEBT.....				<u>\$12,269,000</u>



# **San Francisco School Department**

(A Unified School District)



**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**JUNE 30, 1956**

**BENSON & NEFF**

CERTIFIED PUBLIC ACCOUNTANTS

CROCKER BUILDING  
SAN FRANCISCO 4

October 19, 1956

Honorable Harry D. Ross,  
Controller, City and County of San Francisco,  
San Francisco, California.

Dear Sir:

We have examined the balance sheets of San Francisco Unified School District as of June 30, 1956 and the related statements of surplus and revenue and expenditures for the year then ended. These financial statements, attached hereto, are as follows:

EXHIBIT

Proprietary Balance Sheet, June 30, 1956	A
Statement of Surplus - Current Fund for the Year Ended June 30, 1956	B
Statement of Surplus - Capital Funds for the Year Ended June 30, 1956	C
Notes to Financial Statements	D
Statement of Revenue and Expenditures of the Current Fund for the Years Ended June 30, 1956 and 1955, and Comparison	E
Revenue for the Years Ended June 30, 1956 and 1955, and Comparison - Schedule 1	
Expenditures for the Years Ended June 30, 1956 and 1955, and Comparison - Schedule 2	
Funds Balance Sheet, June 30, 1956	F
Reconciliation of Proprietary Balance Sheet with Funds Balance Sheet, June 30, 1956	G

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion the accompanying balance sheets and related statements of surplus and revenue and expenditures present fairly the financial position of the San Francisco Unified School District as of June 30, 1956 and the results of its operations for the year then ended, in conformity with generally accepted governmental accounting principles applied on a basis consistent with that of the preceding year.

Our report, program, and working papers relating to our examination have been made available to Mr. David F. Supple, consultant and statistician for the Grand Jury.

We submit our comments on the following pages preceding the financial statements.

Yours truly,

*Benson & Neff*

The following comments are submitted for the purpose of further amplification and explanation of the financial statements and to set forth the apparent causes of certain operating results.

### REVENUE AND EXPENDITURES

#### CURRENT FUND

A condensed comparative summary of revenue and expenditures of the Current Fund for the years ended June 30, 1956 and 1955 is presented below (figures rounded off to nearest thousand dollars):

	YEAR ENDED JUNE 30,		INCREASE (DECREASE)
	1956	1955	
Revenue:			
Property taxes and penalties.....	\$22,034,000	\$19,978,000	\$2,056,000
State of California:			
School funds apportionment.....	11,478,000	11,220,000	258,000
Retirement subventions.....	993,000	922,000	71,000
Other revenue.....	1,276,000	1,773,000	(497,000)
Auxiliary (indirect) revenue.....	515,000	463,000	52,000
Total revenue.....	<u>\$36,296,000</u>	<u>\$34,356,000</u>	<u>\$1,940,000</u>
Expenditures:			
Operating expenses.....	\$35,957,000	\$33,781,000	\$2,176,000
Net capital outlay from			
Current Fund.....	<u>1,097,000</u>	<u>501,000</u>	<u>596,000</u>
Total expenditures.....	<u>\$37,054,000</u>	<u>\$34,282,000</u>	<u>\$2,772,000</u>
Excess (deficiency) of revenue			
over expenditures.....	<u>\$ (758,000)</u>	<u>\$ 74,000</u>	<u>\$ (832,000)</u>

The school district tax rate was increased from approximately \$1.57 in 1955 to \$1.75 in 1956.

Revenues from the State School Fund consist of the share of state funds apportioned to the School District on the basis of average daily attendance, for certain excess expenses of educating handicapped children, and for automobile driver training. These revenues for the year ended June 30, 1956 are as follows:

	TOTAL	ELEMENTARY SCHOOLS	HIGH SCHOOLS	CITY COLLEGE
Total average daily attendance - residents (see Note 2).....	87,234	56,920	24,919	5,395
\$120 per pupil.....	\$10,468,080	\$6,830,400	\$2,990,280	\$647,400
Apportionment for 1 unit of average daily attendance transferred from Jefferson School District.....	\$ 171	\$ 171		
Apportionment based on increase in attendance over that of the prior year (see Note 3).....	\$ 250,411	\$ 190,029		\$ 60,382
Apportionment for excess expenses of educating handicapped children:				
Physically handicapped:				
Average daily attendance	935	794	141	
Extra expenses (not over \$400 per pupil).....	\$ 374,000	\$ 317,600	\$ 56,400	
Mentally retarded:				
Average daily attendance	1,285	766	519	
Extra expenses (not over \$150 per pupil).....	192,750	114,900	77,850	
Severely mentally retarded:				
Average daily attendance	130	130		
Extra expenses (not over \$400 per pupil).....	52,000	52,000		
Transportation expense of certain handicapped children:				
Average daily attendance	363	363		
Expense to district (not over \$350 per pupil)	114,093	114,093		
Total - handicapped children.....	\$ 732,843	\$ 598,593	\$ 134,250	
Automobile driver training:				
Number of pupils trained	880		880	
Apportionment (see Note 4).....	\$ 26,400		\$ 26,400	
Total.....	\$11,477,905	\$7,619,193	\$3,150,930	\$707,782

Notes:

- (1) Attendance and apportionment figures applicable to evening schools and the continuation school are included in the column for high schools above.
- (2) Average daily attendance of the previous year serves as the primary basis for apportionment in the current year. The average daily attendance listed in the above schedule is that of the year ended June 30, 1955.
- (3) The increase in average daily attendance is based on attendance reports for periods ended in December and April of the current school year. Amended period reports of attendance, which revise certain of the reports filed for the years ended June 30, 1954 and 1955 to correct technical and clerical errors, filed during the year, if accepted, will result in an increased apportionment of \$14,554 in the next fiscal year.
- (4) The apportionment for automobile driver training is the lower of:
  - (a) 75% of the actual cost, or
  - (b) \$30 times the number of pupils trained, or
  - (c) \$30 times the enrollment in grade 10,11, or 12,whichever is greater.

The following schedule shows a comparison of average daily attendance during the current year and the two preceding years:

	<u>1955-56</u>	<u>1954-55</u>	<u>1953-54</u>
Elementary schools.....	58,634	56,920	55,379
High schools.....	24,792	24,919	24,700
City college.....	<u>5,889</u>	<u>5,395</u>	<u>4,637</u>
Total.....	<u>89,315</u>	<u>87,234</u>	<u>84,716</u>

We have examined the reports submitted to the California State Department of Education as a basis for State apportionment in the fiscal year 1956-57 and have tested the records in support thereof to the extent necessary to satisfy ourselves that they fairly present the average daily attendance during the year ended June 30, 1956.

The following is a summary of average daily attendance during the year ended June 30, 1956, which will serve as the basis for apportionment in the fiscal year 1956-57:

	<u>TOTAL</u>	<u>ELEMENTARY SCHOOLS</u>	<u>HIGH SCHOOLS</u>	<u>CITY COLLEGE</u>
Total average daily attendance....	89,315	58,634	24,792	5,889
Increase in attendance.....	-----	to be determined	-----	-----
Handicapped children:				
Physically handicapped.....	856	716	140	
Mentally retarded.....	1,292	798	494	
Severely mentally retarded.....	126	126		
Requiring special transportation	361	361		
Automobile driver training -				
number of pupils trained.....	2,056		2,056	

The decrease in other revenue is substantially accounted for by a decrease of \$84,000 in tuition from other counties and districts, and a decrease of \$382,000 in Public Law 874 and other Federal aid and grants. Tuition received from Oakland Unified School District for students at City College was \$65,000 less than in the previous year.

With the exception of expenditures for maintenance and community services all major classifications of expenditures were higher in the year under review. Net capital outlay from current funds increased \$596,000, but \$341,000 of such increase is accounted for by the fact that that amount of proceeds of sales of lands and buildings was netted against the gross expenditures in the preceding year and there were no sales of land and buildings in the year ended June 30, 1956.

#### CHILD CARE CENTERS

25 Child Care Centers, with total enrollment of 1,233 children were in operation at June 30, 1956. The average daily number of children in attendance during the year then ended was 1,319. The total hours of child attendance for the years ended June 30, 1956 and 1955, and comparison, are as follows:



	YEAR ENDED JUNE 30,		INCREASE
	1956	1955	(DECREASE)
Hours of attendance:			
Nursery (under 5 years, 9 months of age)	1,226,838	1,458,539	(231,701)
School age (5 years, 9 months of age and over).....	<u>868,213</u>	<u>521,909</u>	<u>346,304</u>
Total hours of attendance.....	<u>2,095,051</u>	<u>1,980,448</u>	<u>114,603</u>

The statement of revenue and expenditures of the Child Care Center for the years ended June 30, 1956 and 1955, and comparison, is summarized as follows:

	YEAR ENDED JUNE 30,		INCREASE
	1956	1955	(DECREASE)
Revenue:			
State apportionment.....	\$ 505,343	\$442,851	\$ 62,492
Fees from parents.....	331,201	335,646	(4,445)
District taxes.....	169,866	126,685	43,181
Federal grant.....	5,145		5,145
Miscellaneous.....	<u>3,461</u>	<u>1,353</u>	<u>2,108</u>
Total revenue.....	<u>\$1,015,016</u>	<u>\$906,535</u>	<u>\$108,481</u>
Expenditures:			
Administration.....	\$ 62,932	\$ 58,204	\$ 4,728
Instruction.....	578,435	509,699	68,736
Auxiliary services.....	15,439	14,209	1,230
Operation.....	133,683	122,225	11,458
Maintenance.....	24,771	14,238	10,533
Fixed charges.....	10,759	6,174	4,585
Food.....	180,180	166,744	13,436
Capital outlay.....	<u>15,165</u>	<u>8,369</u>	<u>6,796</u>
Total expenditures.....	<u>\$1,021,364</u>	<u>\$899,862</u>	<u>\$121,502</u>
Excess (deficiency) of revenue over expenditures.....	<u>\$ (6,348)</u>	<u>\$ 6,673</u>	<u>\$(13,021)</u>

#### COUNTY SCHOOL SERVICE FUND

The revenue and expenditures of the County School Service Fund for the year ended June 30, 1956 were as follows:

Revenue from State apportionment.....		\$44,435
Expenditures:		
Administration:		
Office of County Superintendent of Schools	\$2,400	
Bureau of Research.....	<u>9,770</u>	<u>\$12,170</u>
Instruction:		
Curriculum services.....	\$19,765	
Visual education.....	<u>12,500</u>	<u>32,265</u>
		44,435



# CAFETERIAS

Forty eight complete cafeteria units and 18 branch cafeteria units serviced from kitchens of the complete units were operated by the School District during the year ended June 30, 1956. The statement of income and expenses for the years ended June 30, 1956 and 1955, and comparison, is as follows:

	YEAR ENDED JUNE 30,		INCREASE
	1956	1955	(DECREASE)
Revenue:			
Sales - cafeterias.....	\$1,140,126	\$1,042,022	\$ 98,104
Sales - mid-morning lunches.....	162,710	188,955	(26,245)
Contribution from the Department of Public Health of the City and County of San Francisco for mid-morning milk.....	8,200	6,000	2,200
Federal grants:			
Current year.....	193,751	114,815	78,936
Additional amounts applicable to prior years.....	1,378	1,906	(528)
Other adjustments to recorded income of prior years - net.....	3,630	592	3,038
Total revenue.....	<u>\$1,509,795</u>	<u>\$1,354,290</u>	<u>\$155,505</u>
Expenses:			
Cost of food.....	\$ 914,384	\$ 816,370	\$ 98,014
Salaries.....	419,205	442,559	(23,354)
Student help meals.....	33,533	32,763	770
Supplies and expense.....	53,305	48,986	4,319
Central office expense.....		796	(796)
Provision for sick leave and vacations.....	57,587	35,934	21,653
Total expenses.....	<u>\$1,478,014</u>	<u>\$1,377,408</u>	<u>\$100,606</u>
Net income (loss).....	<u>\$ 31,781</u>	<u>\$ (23,118)</u>	<u>\$ 54,899</u>

Net income of the cafeterias, when the operations result in net income, is held in trust for cafeteria operations only and is not available for other activities.

## STUDENT BODY FUNDS

The student body funds and all accounting records in support thereof are maintained at the schools and are subject to internal audit at regular intervals. We reviewed the audit procedures and working papers of audits made by the administrative office during the year and believe them to be adequate.

## FUND FOR THE ADVANCEMENT OF EDUCATION

The trust agreement, under the terms of which the grant which established this fund was accepted, provides that on July 1, 1959 or upon any earlier termination of the agreement or termination of the project for recruitment and training of teachers, any portion of the grant not expended or committed for the recruitment and training of teachers shall be returned to the grantor.

Transactions of this Fund during the year ended June 30, 1956 are summarized as follows:

Cash on deposit with Treasurer, July 1, 1955.....		\$330,484
Expenditures:		
Fellowship payments (sustenance allowances)...	\$41,746	
Consultants' fees.....	1,379	
San Francisco State College:		
Student fees.....	\$ 3,979	
Supervisor's salary and expenses...	10,910	
Clerical costs.....	301	15,190
Capital outlays - equipment.....		685
Miscellaneous.....	384	59,384
Cash on deposit with Treasurer, June 30, 1956.....		<u>\$271,100</u>

## MIRANDA LUX FOUNDATION TRUST FUND

This fund was established on April 3, 1956 when the School District accepted a grant in the total amount of \$75,000 to establish a scientific laboratory for students of high school age. The grant is to be paid to the School District in installments of \$25,000 each on April 16, 1956, 1957, and 1958. If the agreement is terminated for any reason, any trust monies not

expended or legally committed and any valuable pieces of equipment purchased with trust monies are to be returned to the Miranda Lux Foundation.

No expenditures were made from this fund during the year ended June 30, 1956. The School District had made commitments for expenditures in the amount of \$7,166 as of June 30, 1956.

PROPRIETARY BALANCE SHEET

CASH - \$13,264,989

Cash belonging to the various funds of the District at June 30, 1956 was as follows:

Deposited with Treasurer:

School District current fund..... \$ 6,492,510

Capital funds:

1948 school bonds..... \$5,052,624

Real property..... 107,589 5,160,213

Special and trust funds:

Child Care Centers..... \$ 185,641

Cafeteria..... 294,292

Withholding tax..... 388,698

Teachers' sabbatical leave..... 3,350

Teachers' permanent retirement..... 19,820

Teachers' annuity..... 11,530

Veterans' education..... 30

Will C. Steinbrunn bequest..... 10,176

Anna Steinberg trust..... 903

Miranda Lux Foundation..... 25,000

Fund for the Advancement of Education.... 273,127 1,212,567

Total cash deposited with Treasurer..... \$12,865,290

Cash transfers outstanding..... \$ 390,109

Revolving funds:

School District current fund..... \$3,000

Cafeteria..... 1,550 4,550

Hume Foundation Trust Fund (deposited

with American Trust Company)..... 161 394,820

Total cash - School District..... \$13,260,110

Cash of the bond interest and redemption funds

of the City and County of San Francisco (in-

cluded in the proprietary balance sheet as

an offset to bonds and interest payable):

Bond matured, unpaid..... \$ 1,000

Bond interest matured, unpaid..... 3,879 4,879

Total cash..... \$13,264,989

# ACCOUNTS RECEIVABLE - \$1,657,884

A summary of the accounts receivable of the various funds of the District at June 30, 1956 is presented as follows:

Delinquent taxes and penalties:			
Secured.....	\$	237,823	
Unsecured.....		<u>442,496</u>	
Total taxes and penalties.....	\$	680,319	
Less reserve for unsecured taxes.....		<u>442,496</u>	\$ 237,823
Other accounts receivable:			
Current Fund:			
Federal grant for school construction...	\$1,125,478		
Tuition due from other counties			
and districts.....		185,005	
Federal subvention for aid to			
local education.....		42,658	
Federal subvention for vocational			
training of veterans.....		13,072	
Student teacher training program.....		7,600	
Salary overpayments.....		5,517	
Miscellaneous.....		<u>3,823</u>	\$1,383,153
Cafeterias:			
Federal grants.....	\$	31,970	
Undeposited sales receipts.....		2,334	
Miscellaneous.....		<u>36</u>	34,340
Child Care Center - State apportionment.....			<u>2,568</u>
Total accounts receivable.....			<u>\$1,657,884</u>

The total amount of secured taxes and penalties receivable has been credited to income. All other receivables are covered by deferred credits and will be taken into income in the year of collection.

The account receivable, Federal grant for school construction, represents the balance of a grant in the amount of \$1,250,531 for the construction of Silver and Thomas Avenues Elementary School, to be received in future periods as the construction is completed.

Tuition due from other counties and districts consists of the following items:

Tuition for non-resident students at City

College for the fiscal year 1955-56:

Amount due but not billed as of June 30, 1956..	\$149,513	
Amount billed June 30, 1956.....	<u>34,724</u>	\$184,237
Other current items.....		286
Tuition for prior years not collected.....		<u>482</u>
Total.....		<u>\$185,005</u>

INVENTORIES

Stores - at cost - \$667,562

Shop inventory - at cost - \$34,520

Stores inventory consists of unissued supplies and furniture and fixtures stored at various warehouse locations. Portions of the inventory were counted and reconciled with the general ledger at December 31, 1955, and at January 31, February 29, March 31, and June 30, 1956. The general ledger accounts were adjusted to agree with the physical inventories as of the dates of inventory counts; the total of the necessary adjustments resulted in an addition to the inventory accounts in the amount of \$13,909.

Shop inventory consists of the following items:

Refinished furniture not reissued.....	\$ 6,959
Shop orders in process.....	3,039
Materials and supplies.....	<u>24,522</u>
Total.....	<u>\$34,520</u>

FIXED CAPITAL PROPERTIES - \$105,338,305

Net additions to fixed capital properties during the year ended June 30, 1956 are summarized as follows:

			BUILDINGS AND IMPROVEMENTS	EQUIPMENT
	TOTAL	LAND		
Additions per School District records:				
1948 school bond fund..	\$3,584,979		\$3,348,007	\$236,972
School current fund....	1,097,426	\$ 3,800	603,669	489,957
Child Care Centers.....	15,165			15,165
Real property fund.....	11,232	11,232		
Total.....	<u>\$4,708,802</u>	<u>\$ 15,032</u>	<u>\$3,951,676</u>	<u>\$742,094</u>
Less:				
Net reduction due to properties sold, exchanged or otherwise disposed of (see Note).....	\$ 183,755	\$ 42,353	\$ 2,395	\$139,007
Other reconciling items.....	1,769	605	1,181	(17)
Total.....	<u>\$ 185,524</u>	<u>\$ 42,958</u>	<u>\$ 3,576</u>	<u>\$138,990</u>
Net additions (reductions) per Controller's records 1955-56.....	<u>\$4,523,278</u>	<u>\$(27,926)</u>	<u>\$3,948,100</u>	<u>\$603,104</u>

NOTE: The reduction for equipment sold, exchanged, or otherwise disposed of includes \$57,682 applicable to the preceding fiscal year.

We did not test additions acquired through the 1948 School Bond Fund inasmuch as this fund was subject to examination by other independent accountants engaged to examine the Controller's records.

BONDED DEBT - \$43,148,000

BOND INTEREST PAYABLE AND ACCRUED - \$242,430

A summary of the changes in bonded debt during the year ended June 30, 1956 as shown by the records of the Controller follows:

DATE OF ISSUE	INTEREST RATE	BALANCE JULY 1, 1955	REDEEMED	BALANCE JUNE 30, 1956
March 1, 1923	5%	\$ 3,604,000	\$ 303,000	\$ 3,301,000*
March 1, 1949	1-1/4	1,900,000	500,000	1,400,000
March 1, 1949	1-1/2	3,000,000		3,000,000
April 1, 1951	1-3/4	8,466,000	769,000	7,697,000
March 1, 1952	1-1/2	8,080,000	240,000	7,840,000
December 1, 1952	1-3/4	9,500,000	250,000	9,250,000
August 1, 1953	4	640,000	320,000	320,000
August 1, 1953	2-1/2	3,840,000		3,840,000
March 1, 1954	5-3/4	200,000	200,000	
March 1, 1954	1	400,000		400,000
March 1, 1954	1-1/4	1,000,000		1,000,000
March 1, 1954	1-1/2	800,000		800,000
March 1, 1954	1-3/4	400,000		400,000
April 1, 1955	6	300,000	100,000	200,000
April 1, 1955	1-3/4	3,700,000		3,700,000
Total.....		<u>\$45,830,000</u>	<u>\$2,682,000</u>	<u>\$43,148,000</u>

\*Includes \$1,000 matured but unpaid.

Of the \$48,900,000 school bond issue approved by public vote in November 1948, \$990,000 remained unsold at June 30, 1956.

Bond interest payable and accrued at June 30, 1956 is summarized as follows:

Coupons matured - not presented for payment...	\$ 3,879
Interest accrued - not due.....	<u>238,551</u>
Total.....	<u>\$242,430</u>

The bonded debt and interest thereon are not reflected on the books of the School District as they are general obligations of the City and County of San Francisco, and are shown in the accompanying balance sheet only as a matter of record. In accordance with past practice the interest between the last coupon dates and the end of the fiscal year (\$238,551) has been treated as a deferred charge.



INSURANCE COVERAGE AND LIABILITY  
FOR DAMAGE AND WORKMAN'S COMPENSATION CLAIMS

The following is a summary of the insurance in force at

June 30, 1956:

Fire and extended coverage - School District property  
including contents:  
Total coverage during the year ended June 30, 1955... \$78,486,000  
Total coverage to be in effect during the year  
beginning July 1, 1956..... \$82,567,000

Rental income - Lincoln Building:

Fire and extended coverage.... Actual rental, not  
to exceed..... \$348,000

Loss of specific property (camera and borrowed property).... \$2,513

Automobiles (includes driver training program cars):

Bodily injury (including non-ownership coverage) \$200,000/\$500,000  
Property damage..... \$100,000  
Fire and theft..... Cash value  
Collision (driver training vehicles only)..... \$50 deductible

Child Care Centers:

Bodily injury..... \$100,000/\$1,000,000  
Property damage..... \$5,000/\$25,000

Boiler:

City College..... \$500,000  
High schools, each..... \$250,000  
All other schools, each..... \$100,000

Valuable records:

Other than money and securities..... \$50,000

Blanket fidelity bond - each loss..... \$25,000

Additional fidelity bond coverage:

Superintendent of Schools..... \$25,000  
Chief of the Budget Division..... \$15,000  
Supervisor of Accounts..... \$ 6,000  
Board of Education members (each)..... \$ 2,500

Workman's Compensation - Child Care Centers..... Statutory

General liability:

Sub-leased portion of Union Furniture Company  
warehouse..... \$100,000/\$200,000



The fire and extended coverage in effect is intended to be 90% of insurable value. An insurance survey as of May 1, 1956 shows total value of buildings and contents to be \$91,740,905. 90% thereof is \$82,566,815.

The School District does not carry general public liability insurance, nor does it carry workman's compensation insurance covering employees other than those of the Child Care Centers. The Retirement Board of the City and County of San Francisco has advised us that the liability for unsettled workman's compensation claims at June 30, 1956 is estimated to be approximately \$100,000. The legal adviser of the School District advised us that the contingent liability under other unsettled claims is estimated to be \$100,000.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
PROPRIETARY BALANCE SHEET, JUNE 30, 1956

EXHIBIT A

ASSETS

	TOTAL	CURRENT FUND	CAPITAL FUNDS	SPECIAL AND TRUST FUNDS
<b>CASH:</b>				
On deposit with Treasurer.....	\$ 12,865,290	\$ 6,492,510	\$ 5,160,213	\$ 1,212,567
Cash transfers outstanding.....	390,109			390,109
Revolving funds.....	4,550	3,000		1,550
Bond interest and redemption funds (see Note 1).....	4,879	4,879		
Other - Hume Foundation.....	161			161
Total cash.....	<u>\$ 13,264,989</u>	<u>\$ 6,500,389</u>	<u>\$ 5,160,213</u>	<u>\$ 1,604,387</u>
<b>ACCOUNTS RECEIVABLE:</b>				
Delinquent taxes and penalties.....	\$ 680,319	\$ 677,622		\$ 2,697
Less reserve for unsecured property taxes.....	442,496	441,375		1,121
Remainder - secured taxes and penalties.....	\$ 237,823	\$ 236,247		\$ 1,576
Other accounts, subventions, etc. (contra).....	1,420,061	1,383,153		36,908
Accounts receivable - net.....	<u>\$ 1,657,884</u>	<u>\$ 1,619,400</u>		<u>\$ 38,484</u>
<b>INTER-FUND ACCOUNTS.....</b>	<u>\$ 3,362</u>	<u>\$ 3,362</u>		
<b>INVENTORIES AND DEFERRED CHARGES:</b>				
Stores- at cost.....	\$ 667,562	\$ 667,562		
Shop inventory - at cost.....	34,520	34,520		
Unexpired insurance.....	8,818	8,818		
Other supplies and expense.....	28,205	27,810		\$ 395
Bond interest accrued.....	238,551	238,551		
Uncompleted contracts and purchase orders (contra).....	5,866,381	1,003,602	\$ 4,838,707	24,072
Total inventories and deferred charges.....	<u>\$ 6,844,037</u>	<u>\$ 1,980,863</u>	<u>\$ 4,838,707</u>	<u>\$ 24,467</u>
<b>FIXED CAPITAL PROPERTIES (see Note 1):</b>				
Land.....	\$ 14,024,591		\$ 14,024,591	
Buildings and improvements.....	81,659,109		81,659,109	
Equipment.....	9,654,605		9,654,605	
Total fixed capital properties.....	<u>\$ 105,338,305</u>		<u>\$ 105,338,305</u>	
<b>Total.....</b>	<u><u>\$ 127,108,577</u></u>	<u><u>\$ 10,104,014</u></u>	<u><u>\$ 115,337,225</u></u>	<u><u>\$ 1,667,338</u></u>

(Continued)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
PROPRIETARY BALANCE SHEET, JUNE 30, 1956

EXHIBIT A

LIABILITIES AND SURPLUS

	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>CAPITAL FUNDS</u>	<u>SPECIAL AID TRUST FUNDS</u>
BOND INTEREST PAYABLE AND ACCRUED (see Note 1).....	\$ 242,430	\$ 242,430		
ACCOUNTS PAYABLE AND COMMITMENTS:				
Warrants and payroll deductions outstanding.....	\$ 2,908,675	\$ 2,341,566	\$ 9,870	\$ 557,239
Accounts payable - materials and services.....	387,031	363,302		23,729
Uncompleted contracts and purchase orders (contra).....	5,866,381	1,003,602	4,838,707	24,072
Balance of withholding tax, and teachers' sabbatical leave, permanent, and annuity funds.....	419,208			419,208
Total accounts payable and commitments.....	\$ 9,581,295	\$ 3,708,470	\$ 4,848,577	\$ 1,024,248
INTER-FUND ACCOUNTS:				
Department of Public Works.....	\$ 229,268	\$ 225,239		\$ 4,029
Employees' Retirement System.....	369,883	369,883		
Other funds and city departments.....	66,034	62,382		3,652
Total inter-fund accounts.....	\$ 665,185	\$ 657,504		\$ 7,681
DEFERRED CREDITS (see Note 5):				
Accounts receivable (contra).....	\$ 1,420,061	\$ 1,383,153		\$ 36,908
Other.....	75	62		13
Total deferred credits.....	\$ 1,420,136	\$ 1,383,215		\$ 36,921
BONDED DEBT (see Note 1).....	\$ 43,148,000	\$ 1,000	\$ 43,147,000	
SURPLUS (Exhibits B and C and Note 2).....	\$ 72,051,531	\$ 4,111,395	\$ 67,341,648	\$ 598,488
 TOTAL.....	 \$127,108,577	 \$10,104,014	 \$115,337,225	 \$1,667,338

The notes are on Exhibit D.

(Concluded)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

STATEMENT OF SURPLUS - CURRENT FUND  
FOR THE YEAR ENDED JUNE 30, 1956

EXHIBIT B

Balance, July 1, 1955.....	\$4,869,607
Less excess of expenditures over revenue for the year ended June 30, 1956 - Exhibit E.....	<u>758,212</u>
Balance, June 30, 1956 (see Note 2).....	<u><u>\$4,111,395</u></u>

STATEMENT OF SURPLUS - CAPITAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 1956

EXHIBIT C

Balance per statement, July 1, 1955.....	\$63,444,272
Adjustment thereto - to correct the reported amount of bonded debt outstanding.....	<u>256,000</u>
Balance, July 1, 1955 (as corrected).....	\$63,700,272
Add:	
Capital outlay from non-capital funds, per School District records:	
School Current Fund.....	\$1,097,426
Child Care Centers Fund.....	<u>15,165</u>
Bonded debt matured during the year.....	<u>2,679,000</u>
Total.....	\$67,491,863
Less:	
Cost or assigned book values of properties sold or otherwise retired (see Note 1).....	\$ 141,402
Miscellaneous adjustments.....	<u>8,813</u>
Balance, June 30, 1956.....	<u><u>\$67,341,648</u></u>

The notes are on Exhibit D.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1956

- (1) Fixed capital properties and bonded debt and bond interest payable and accrued are not recorded in the accounts of the School District. The amounts shown in the foregoing balance sheet are those shown by the records of the Controller.

Bonded debt and bond interest are general obligations of the City and County of San Francisco and are not liabilities of the School District. They are shown in the proprietary balance sheet because the proceeds of the bonds were used to acquire School District properties.

The amounts shown for fixed capital properties do not represent cost of properties and equipment presently owned by the School District. Certain of the properties are included at appraised value.

- (2) Surplus of the current fund at June 30, 1956 consists of the following:

Appropriations to be carried forward into  
the next year:

Expenditures committed..... \$ 673,372

Expenditures not yet committed -

appropriation for Silver and

Thomas Avenues Elementary School..... 1,907,554

Other..... 133 \$2,581,059

Unappropriated:

Available only for capital outlay

purposes:

Balance, July 1, 1955..... \$406,800

Refund from Water Depart-

ment - payment originally

charged to capital outlay.. 455 \$ 407,255

Available for general purposes..... 1,123,081 1,530,336

Total..... \$4,111,395

A Federal grant receivable in future periods in the amount of \$1,125,478 will offset a portion of the appropriation for the Silver and Thomas Avenues Elementary School.

(Continued)

- (3) Contingent liability for personal injury claims is estimated by the legal advisor to the Board of Education to be \$100,000 at June 30, 1956.

Contingent liability for workmen's compensation claims pending at June 30, 1956 is estimated by the Retirement Board of the City and County of San Francisco to be approximately \$100,000.

- (4) Revenue, other than from secured taxes, is recorded only as monies are received by or for the credit of the School District. This practice is consistent with that of preceding periods.
- (5) The Board of Education accepted, during the year, a grant from the Rosenberg Foundation in the amount of \$3,500 for the Rosenberg Television Project. This grant is in the nature of a trust, but it has been carried as a part of the Current Fund for accounting purposes. \$3,343 of this amount was expended during the year and the remaining \$157 is included in the appropriations to be carried forward into the next year.

(Concluded)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT E

STATEMENT OF REVENUE AND EXPENDITURES  
OF THE CURRENT FUNDFOR THE YEARS ENDED JUNE 30, 1956 AND 1955, AND COMPARISON

	YEAR ENDED JUNE 30, 1956	1955	INCREASE (DECREASE)
REVENUE - Schedule 1.....	\$36,295,734	\$34,355,999	\$1,939,735
OPERATING EXPENDITURES:			
Administration.....	\$ 1,033,357	\$ 929,492	\$ 103,865
Instruction.....	24,669,677	23,232,992	1,436,685
Auxiliary service.....	332,250	311,483	20,767
Operations.....	2,981,131	2,771,355	209,776
Maintenance.....	1,706,468	1,718,623	(12,155)
Fixed charges.....	3,947,194	3,653,816	293,378
Transportation of pupils.....	305,795	242,792	63,003
Food service.....	144,819	142,995	1,824
Community services.....	278,305	288,254	(9,949)
Tuition paid to other districts..	39,319	25,795	13,524
Total direct expenditures...	\$35,438,315	\$33,317,597	\$2,120,718
Auxiliary (indirect) services contributed by Department of Public Health.....	514,862	463,272	51,590
Rosenberg Television Project....	3,343		3,343
Total operating expenditures - Schedule 2.....	\$35,956,520	\$33,780,869	\$2,175,651
REMAINDER.....	\$ 339,214	\$ 575,130	\$ (235,916)
NET CAPITAL OUTLAY FROM CURRENT FUNDS - Schedule 2.....	1,097,426	501,030	596,396
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES.....	\$ (758,212)	\$ 74,100	\$ (832,312)

SAN FRANCISCO UNITED SCHOOL DISTRICT

EXHIBIT F

FUND BALANCE SHEET, JUNE 30, 1956

(As shown by accounts of the Controller)

ASSETS

	TOTAL	CASH AVAILABLE	ACCOUNTS RECEIVABLE	CONSTRUCTION GRANT RECEIVABLE	UNSOLD BONDS	INTER-FUND ACCOUNTS	INVESTMENT
SCHOOL DISTRICT CURRENT FUND.....	\$ 6,060,050	\$ 4,150,943	\$780,267	\$1,125,478			\$3,362
CAPITAL FUNDS:							
Real property.....	\$ 107,589	\$ 107,589					
1948 School Bond.....	6,032,754	5,042,754			\$990,000		
Total - capital funds.....	\$ 6,140,343	\$ 5,150,343			\$990,000		
SPECIAL AND TRUST FUNDS:							
Child Care Centers.....	\$ 121,962	\$ 116,697	\$ 5,265				
Cafeteria.....	236,663	202,323	34,340				
Withholding tax.....	305,691	385,691					
Teachers' Sabbatical Leave.....	2,302	2,302					
Teachers' Permanent.....	19,500	19,500					
Teachers' Annuity.....	11,715	11,715					
Veterans' Education.....	30	30					\$5,000
Will C. Steinbrunn.....	15,176	10,176					
Anna Steinberg.....	903	903					
Miranda Lux Foundation.....	25,000	25,000					
Fund for the Advancement of Education.....	271,100	271,100					
Total - special and trust funds.....	\$ 1,090,042	\$ 1,045,437	\$ 39,605				\$5,000
TOTAL.....	\$13,290,435	\$10,346,723	\$619,872	\$1,125,478	\$990,000	\$3,362	\$5,000

(Continued)



**SAN FRANCISCO UNIFIED SCHOOL DISTRICT**

**FUNDS BALANCE SHEET, JUNE 30, 1956**

(As shown by accounts of the Controller)

**EXHIBIT F**

**LIABILITIES AND SURPLUS**

	TOTAL	ENCUMBRANCES	ACCOUNTS	INTER-FUND	RESERVE FOR	FUND BALANCES			RETIREMENT, TRUST, AND AGENCY FUND BALANCES
						DELINQUENT TAXES, PENALTIES, ETC.	APPROPRIATED		
							UNENCUMBERED	BUT UNENCUMBERED	
SCHOOL DISTRICT CURRENT FUND.....	\$ 6,060,050	\$1,078,057	\$766,676	\$441,375	\$2,111,377	\$1,662,565			
CAPITAL FUNDS:									
Real Property.....	\$ 107,589	\$ 86			\$ 56,537	\$ 50,966			
1948 School Bond.....	6,032,754	14,704,332	\$ 31,476		1,252,938	44,008			
Total - capital funds.....	\$ 6,140,343	\$4,704,418	\$ 31,476		\$1,309,475	\$ 94,974			
SPECIAL AND TRUST FUNDS:									
Child Care Centers.....	\$ 121,962	\$ 33,940	\$ 3,467	\$ 1,121	\$ 5,013	\$ 76,421			
Cafeteria.....	236,663	31	95		5,000	231,537		\$385,691	
Withholding Tax.....	385,691							2,302	
Teachers' Sabbatical Leave.....	2,302							19,500	
Teachers' Permanent.....	19,500							11,715	
Teachers' Annuity.....	11,715							30	
Veterans' Education.....	30							15,176	
Will C. Steinhorn.....	15,176							903	
Anna Steinberg.....	903							17,862	
Miranda Lux Foundation.....	25,000	7,138							
Fund for the Advancement of Education.....	271,100	10,672						260,428	
Total - special and trust funds.....	\$ 1,090,042	\$ 51,781	\$ 3,562	\$ 1,121	\$ 10,013	\$ 309,958		\$713,607	
TOTAL.....	\$13,290,435	\$5,834,256	\$801,714	\$442,496	\$3,430,865	\$2,067,497		\$713,607	

(concluded)

## SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUNDS BALANCE SHEET, JUNE 30, 1956

## ASSETS

	TOTAL	CASH	RECEIVABLES (OTHER THAN INTERFUND)	INTER-FUND ACCOUNTS	UNSOLED BONDS	INVENTORIES AND DEFERRED CHARGES	INVESTMENTS	FIXED CAPITAL PROPERTIES
PROPRIETARY BALANCE SHEET (Exhibit A).....	\$127,108,577	\$13,264,989	\$1,657,884	\$3,362		\$6,844,037		\$105,338,305
ADD:								
Investments.....	\$ 5,000				\$990,000		\$5,000	
1948 School Bonds unsold.....	990,000							
Reserve for unsecured property taxes.....	442,496		\$ 442,496					
Total additions.....	\$ 1,437,496		\$ 442,496		\$990,000		\$5,000	
DEDUCT:								
Fixed capital properties.....	\$105,338,305							\$105,338,305
Warrants and payroll de- ductions outstanding.....	2,908,676	\$ 2,908,676						
Revolving funds.....	4,550	4,550						
Bond interest and redemption funds.....	4,879	4,879						
Hume Foundation Trust Fund....	161	161						
Accounts receivable:								
Tuition from other counties and districts not billed..	149,513		\$ 149,513					
Salary overpayments.....	5,517		5,517					
Inventories and deferred charges.....	6,844,037					\$6,844,037		
Total deductions.....	\$115,255,638	\$ 2,918,266	\$ 155,030			\$6,844,037		\$105,338,305
FUNDS BALANCE SHEET (Exhibit F).	\$ 13,290,435	\$10,346,723	\$1,945,350	\$3,362	\$990,000		\$5,000	

(Continued)

## RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUNDS BALANCE SHEET, JUNE 30, 1956

## LIABILITIES AND SURPLUS

	BOND INTEREST PAYABLE AND ACCRUED	ACCOUNTS ENCUMBRANCES	INVER-FUND ACCOUNTS	DEFERRED CREDITS	BONDED DEBT	BALANCE OF FUNDS
<b>TOTAL</b>	<b>\$242,430</b>	<b>\$9,581,295</b>	<b>\$665,185</b>	<b>\$1,420,136</b>	<b>\$43,148,000</b>	<b>\$72,051,531</b>
PROPRIETARY BALANCE SHEET (Exhibit A).....	\$127,108,577					
ADD (deduct):						
Investments.....	\$ 5,000					\$ 5,000
Inter-fund encumbrances.....	990,000	\$ (136,529)	\$136,529			990,000
1948 School Bonds unpaid.....	442,496			\$ 442,496		
Reserve for unsecured property taxes.....						
Total additions.....	\$ 1,437,496	\$ (136,529)	\$136,529	\$ 442,496		\$ 995,000
DEDUCT (add):						
Bonded debt, and surplus invested in fixed capital properties.....	\$105,338,305				\$43,147,000	\$62,191,305
Warrants and payroll deductions outstanding.....	2,908,676	\$2,908,676				
Withholding tax, teachers' sabbatical leave, permanent, and annuity funds....		419,208			1,000	(419,208)
Revolving funds.....	4,550					4,550
Bonds matured, unpaid.....	1,000					
Bond interest matured, unpaid.....	3,879	\$ 3,879				
Bond interest accrued, not due.....	238,551					(238,551)
Hume Foundation Trust Fund.....	161					161
Accounts receivable deferred credits: Items not recorded in Controller's records.....	155,030			\$ 155,030		(1,265,031)
Items credited to income by Controller. Other deferred credits not deferred by Controller.....				1,265,031		(75)
Inventories and deferred charges.....				75		6,844,037
Excess of accounts payable and encum- brances as shown by School District records over these obligations as shown by Controller's records.....	6,844,037					
Total deductions.....		282,626				(282,626)
FUNDS BALANCE SHEET (Exhibit F).....	\$115,255,638	\$242,430	\$3,610,510	\$1,420,136	\$43,148,000	\$66,834,562
	\$ 13,290,435	\$5,834,256	\$901,714	\$ 442,496		\$ 6,211,969
						\$ 2,067,497
						3,430,865
						713,607
Total.....						\$ 6,211,969

Unappropriated balances.....  
Unencumbered appropriations.....  
Trust Funds.....

Total.....

(Continued)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SCHEDULE 1

REVENUE OF THE CURRENT FUND FOR THE YEARS ENDED  
JUNE 30, 1956 AND 1955, AND COMPARISON

	YEAR ENDED JUNE 30,		INCREASE (DECREASE)
	1956	1955	
PROPERTY TAXES AND PENALTIES.....	\$22,033,650	\$19,977,771	\$2,055,879
APPORTIONMENTS FROM STATE OF CALIFORNIA (see Note 4):			
Elementary schools.....	\$ 7,619,193	\$ 7,439,626	\$ 179,567
High schools and City College....	3,858,712	3,780,251	78,461
Retirement subventions.....	993,476	922,054	71,422
Total.....	\$12,471,381	\$12,141,931	\$ 329,450
OTHER REVENUE (see Note 4):			
San Francisco Housing Authority - in lieu of taxes.....	\$ 35,701	\$ 54,844	\$ (19,143)
Federal and state vocational education subvention.....	59,581	54,693	4,888
Reimbursement for veterans' vocational training.....	81,645	112,586	(30,941)
Tuition from other counties and districts.....	237,417	321,804	(84,387)
Rentals.....	356,781	362,940	(6,159)
Public Law 874 and other			
Federal aid.....	405,895	608,619	(202,724)
Federal construction grants.....		179,053	(179,053)
Miscellaneous.....	95,321	78,486	16,835
Total.....	\$ 1,272,341	\$ 1,773,025	\$ (500,684)
Total direct revenues.....	\$35,777,372	\$33,892,727	\$1,884,645
ROSENBERG FOUNDATION GRANT - TELEVISION PROJECT (see Note 5)..	3,500		3,500
AUXILIARY (INDIRECT) REVENUE:			
Services of physicians, dentists and nurses of the Department of Public Health.....	514,862	463,272	51,590
TOTAL REVENUE.....	\$36,295,734	\$34,355,999	\$1,939,735

The notes are on Exhibit D.

EXPENDITURES OF THE CURRENT FUND  
FOR THE YEARS ENDED  
JUNE 30, 1956 AND 1955, AND COMPARISON

	YEAR ENDED JUNE 30,		INCREASE (DECREASE)
	1956	1955	
<b>ADMINISTRATION:</b>			
Salaries.....	\$ 775,011	\$ 758,367	\$ 16,644
Supplies.....	46,470	44,499	1,971
Travel expense.....	14,246	13,207	1,039
Miscellaneous.....	197,630	113,419	84,211
Total.....	\$ 1,033,357	\$ 929,492	\$ 103,865
<b>INSTRUCTION - SALARIES:</b>			
Supervision.....	\$ 447,783	\$ 446,463	\$ 1,320
Elementary schools.....	10,111,660	9,554,896	556,764
Special schools.....	556,898	569,836	(12,938)
Junior high schools.....	4,613,316	4,167,401	445,915
Senior high schools.....	4,325,459	4,205,929	119,530
Adult schools.....	859,430	816,881	42,549
Trade and industrial schools.....	397,973	373,192	24,781
Continuation school.....	172,141	172,178	(37)
City College.....	1,945,333	1,773,183	172,150
Total.....	\$23,429,993	\$22,079,959	\$1,350,034
<b>INSTRUCTION - SUPPLIES AND OTHER EXPENSES:</b>			
Educational supplies.....	\$ 694,254	\$ 635,515	\$ 58,739
Books.....	274,002	256,512	17,490
Travel expense.....	24,961	23,552	1,409
Miscellaneous.....	246,467	237,454	9,013
Total.....	\$ 1,239,684	\$ 1,153,033	\$ 86,651
<b>AUXILIARY SERVICES:</b>			
Compulsory education.....	\$ 174,313	\$ 165,953	\$ 8,360
Guidance service centers.....	99,572	94,350	5,222
Student placement service.....	24,302	23,502	800
Nurse service.....	10,680	9,840	840
Miscellaneous.....	23,383	17,838	5,545
Total.....	\$ 332,250	\$ 311,483	\$ 20,767
Total (forward).....	\$26,035,284	\$24,473,967	\$1,561,317

(Continued)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
EXPENDITURES

SCHEDULE 2

	YEAR ENDED JUNE 30, 1956	1955	INCREASE (DECREASE)
Total (forward).....	\$26,035,284	\$24,473,967	\$1,561,317
OPERATION:			
Janitors, engineers and gardeners:			
Salaries.....	\$ 2,077,551	\$ 1,941,311	\$ 136,240
Supplies.....	129,276	122,062	7,214
Gas and electricity.....	379,073	334,765	44,308
Fuel.....	50,374	53,647	(3,273)
Water.....	58,098	56,342	1,756
Miscellaneous.....	286,759	263,228	23,531
Total.....	\$ 2,981,131	\$ 2,771,355	\$ 209,776
MAINTENANCE:			
Repairs:			
Buildings and grounds.....	\$ 1,379,332	\$ 1,427,342	\$ (48,010)
Janitors' equipment.....	9,277	3,391	5,886
Educational equipment.....	288,152	261,586	26,566
Miscellaneous.....	29,707	26,304	3,403
Total.....	\$ 1,706,468	\$ 1,718,623	\$ (12,155)
FIXED CHARGES:			
Rents.....	\$ 9,847	\$ 9,908	\$ (61)
Insurance.....	34,631	48,318	(13,687)
Compensation and accident claims.	41,365	39,328	2,037
Contributions to retirement system:			
City.....	3,819,848	3,506,598	313,250
State.....	45,960	44,820	1,140
Miscellaneous.....	(4,457)	4,844	(9,301)
Total.....	\$ 3,947,194	\$ 3,653,816	\$ 293,378
TRANSPORTATION OF PUPILS.....	\$ 305,795	\$ 242,792	\$ 63,003
FOOD SERVICE:			
Cafeteria supervision.....	\$ 69,106	\$ 67,202	\$ 1,904
Cafeteria maintenance.....	31,034	31,846	(812)
Free meals.....	27,268	22,019	5,249
Health classes and other expenses	17,411	21,928	(4,517)
Total.....	\$ 144,819	\$ 142,995	\$ 1,824
Total (forward).....	\$35,120,691	\$33,003,548	\$2,117,143

(Continued)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
EXPENDITURES

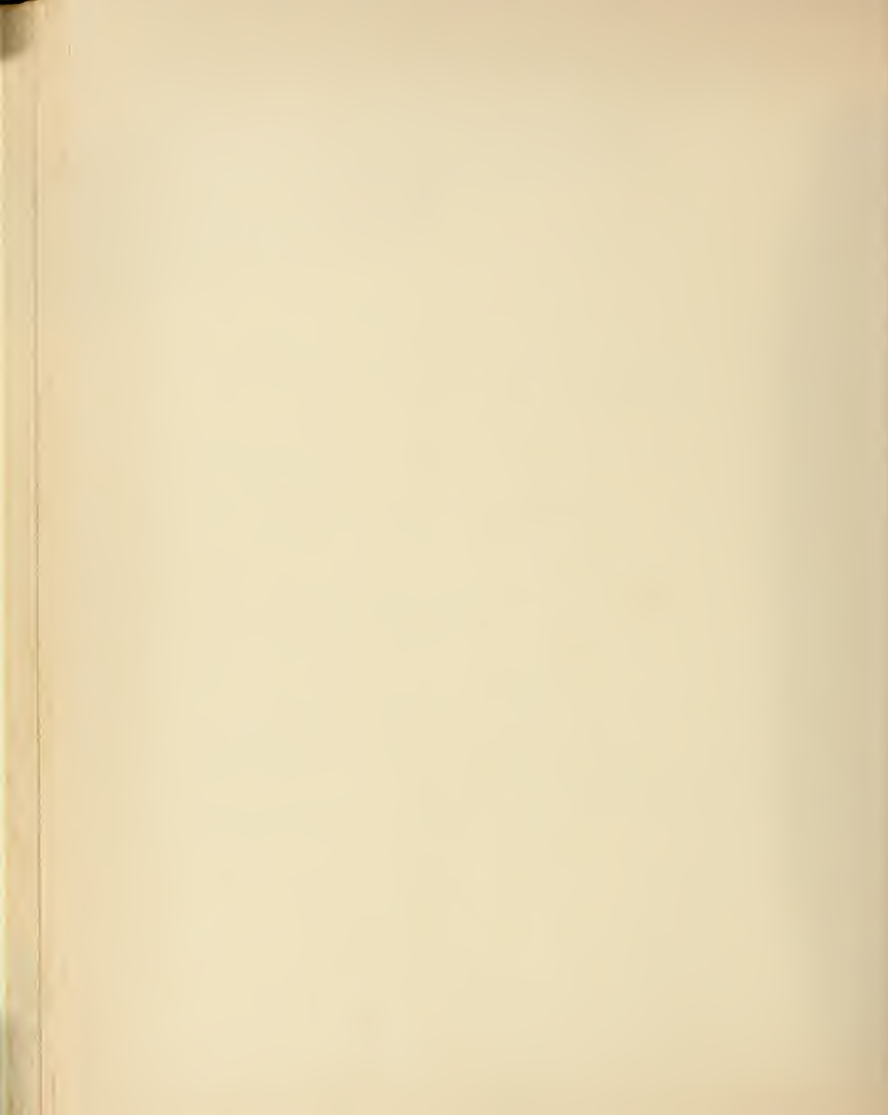
SCHEDULE 2

	YEAR ENDED JUNE 30,		INCREASE
	1956	1955	(DECREASE)
Total (forward).....	\$35,120,691	\$33,003,548	\$2,117,143
COMMUNITY SERVICES:			
Recreation program.....	\$ 169,604	\$ 172,188	\$ (2,584)
Veterans' counseling.....	52,330	63,707	(11,377)
Civic Center activities.....	56,371	52,359	4,012
Total.....	\$ 278,305	\$ 288,254	\$ (9,949)
TUITION PAID TO OTHER DISTRICTS....	\$ 39,319	\$ 25,795	\$ 13,524
TOTAL DIRECT EXPENDITURES.....	\$35,438,315	\$33,317,597	\$2,120,718
AUXILIARY (INDIRECT) SERVICES			
CONTRIBUTED BY DEPARTMENT OF			
PUBLIC HEALTH:			
Medical inspection.....	\$ 82,477	\$ 90,401	\$ (7,924)
Dental inspection.....	62,564	49,289	13,275
Nurse service.....	369,821	323,582	46,239
Total.....	\$ 514,862	\$ 463,272	\$ 51,590
ROSENBERG TELEVISION PROJECT (see			
Note 5).....	\$ 3,343		\$ 3,343
TOTAL OPERATING EXPENDITURES.....	\$35,956,520	\$33,780,869	\$2,175,651
CAPITAL OUTLAY FROM CURRENT FUNDS:			
Land.....	\$ 3,800	\$ 37,289	\$ (33,489)
Buildings and improvements.....	603,669	\$ 318,034	\$ 285,635
Equipment.....	489,957	\$ 486,620	3,337
Total.....	\$ 1,097,426	\$ 841,943	\$ 255,483
Less sale of land and buildings..		340,913	340,913
NET CAPITAL OUTLAY FROM CURRENT			
FUNDS.....	\$ 1,097,426	\$ 501,030	\$ 596,396

The notes are on Exhibit D.

(Concluded)







**City and County of San Francisco  
Employees' Retirement System**



REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 1956

NEW YORK  
CHICAGO  
ATLANTA  
BOSTON  
CLEVELAND  
DALLAS  
DENVER  
DETROIT  
HOUSTON  
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ARTHUR YOUNG & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS  
120 MONTGOMERY STREET  
SAN FRANCISCO 4

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~~YUKON 2-274~~

GARFIELD 1-7412

November 2, 1956

The Honorable Harry D. Ross, Controller,  
City and County of San Francisco,  
San Francisco, California:

We have examined the statements of net assets and reserves to meet liabilities for benefits of San Francisco City and County Employees' Retirement System at June 30, 1956 and the related statement of changes in reserves for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the statements described above present fairly the financial position of San Francisco City and County Employees' Retirement System at June 30, 1956 and the results of operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Summary of auditing procedures

In determining the extent of our auditing procedures, we took into consideration the accounting procedures and system of internal control of the Retirement System.

Cash on deposit with the Treasurer of the City and County of San Francisco was confirmed and reconciled to the amount shown by the books.

Amounts due from the City and County of San Francisco representing its contributions in the course of collection, and like amounts representing members' contributions in the course of collection, were confirmed and reconciled to the amounts shown by the books.

Investments in bonds were verified at June 30, 1956 by examination of the securities in the custody of the Treasurer of the City and County of San Francisco and by confirmation from appropriate agencies for bonds in the course of redemption. No compilation of market values was made.

Interest receivable on investments represented by interest coupons in the course of collection and by interest accrued was verified either by confirmation or calculation.

Statements of accumulated contributions as of June 30, 1956 were delivered from October 24 through October 29, 1956 to department heads for distribution to all members, requesting that we be advised of any inaccuracies. All reports of differences received to date were minor in number and amount and were delivered to officials of the Retirement System for investigation.

The records of operations for the year ended June 30, 1956 were reviewed. Tests were made of members' contributions with the payroll records of the Controller of the City and County of San Francisco. Disbursements to or for account of members for pension, withdrawal, or death, and for administrative expense were tested with the records of original entry and supporting data.

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEMNET ASSETS JUNE 30, 1956

## ASSETS:

Cash \$ 2,781,380.49

## Receivables:

Employees' contributions in  
process of collection \$ 646,820.37Contributions and reimburse-  
ments due from City and  
County of San Francisco 635,081.36Bond interest accrued 1,378,400.28

Total receivables 2,660,302.01

Bond investments, at cost less  
amortization:(par value \$176,804,250)  
United States Government 67,725,883.69California municipalities,  
school districts, and  
other divisions 11,009,947.14Municipalities other than  
California 4,776,499.11

Railroads 328,994.23

Railroad equipment trusts 20,465,061.03

Railroad terminals 1,660,922.53

Public utilities 70,734,515.82Total bond investments at  
amortized value 176,701,823.55

Total assets 182,143,506.05

## LIABILITIES:

Payable to City and County of San  
Francisco for unexpended tax  
appropriations 190,922.98

Death benefits on deposit 19,442.86

Other 1,108.50Total liabilities 211,474.34NET ASSETS (Reserved for benefits -  
Exhibit A-1)\$181,932,031.71See accompanying notes to financial statements and  
report of Arthur Young & Company dated November 2, 1956

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEMRESERVES TO MEET LIABILITIES FOR BENEFITS JUNE 30, 1956

## RESERVES FOR CURRENT SERVICE BENEFITS

## ALREADY GRANTED:

Service retirements provided from:

Members' contributions \$ 9,756,072.16

City and County of San Francisco  
contributions 26,804,712.05

Disability retirements provided from:

Members' contributions 861,754.13

City and County of San Francisco  
contributions 10,049,427.48

Industrial death allowances provided from:

Members' contributions 173,611.17

City and County of San Francisco  
contributions 2,150,687.24Total reserves for current serv-  
ice benefits already granted

49,796,264.23

## RESERVES FOR CURRENT SERVICE BENEFITS

## NOT YET GRANTED:

Members' accumulated normal contributions:

General \$46,677,173.44

Police 5,734,947.78

Fire 4,770,348.81

Members' accumulated additional

contributions 1,036,274.43

58,218,744.46

City and County of San Francisco

accumulated contributions 63,181,121.14Total reserves for current serv-  
ice benefits not yet granted

121,399,865.60

## PRIOR SERVICE BENEFITS (Note 1)

## GENERAL RESERVES:

City and County of San Francisco  
contributions reserved for prior  
and current service benefits not  
otherwise funded

2,294,496.25

Unallocated gains on sales of bonds

2,365,690.47

Contingency reserve against adverse  
experience

6,052,454.36

Unclaimed contributions of former  
members23,260.80

Total general reserves

10,735,901.88

Total reserves

\$181,932,031.71See accompanying notes to financial statements and  
report of Arthur Young & Company dated November 2, 1956

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEMCHANGES IN RESERVES FOR YEAR ENDED JUNE 30, 1956

## ADDITIONS TO RESERVES:

Contributions of members for  
current service reserves:

Normal:

General	\$6,393,122.38	
Police	691,510.05	
Fire	<u>576,529.14</u>	\$ 7,661,161.57
		83,830.00

Additional

Redeposit of normal  
contributions previ-  
ously withdrawn

<u>15,131.64</u>	\$ 7,760,123.21
------------------	-----------------

Contributions of City and  
County of San Francisco  
for current service  
reserves:

General	8,872,373.53	
Police	1,963,071.02	
Fire	<u>1,698,565.79</u>	12,534,010.34

Reimbursement by the City  
and County of San  
Francisco (contra):  
Current service benefits:

Police	164,443.00	
Fire	<u>863,586.62</u>	1,028,029.62

Prior service benefits:

General	835,146.37	
Police	876,527.65	
Fire	<u>1,387,711.84</u>	<u>3,099,385.86</u>
		16,661,425.82

Other additions:

Bond interest earned	4,783,149.35	
Other	<u>2,858.66</u>	<u>4,786,008.01</u>

Total additions to reserves

29,207,557.04

See accompanying notes to financial statements and  
report of Arthur Young & Company dated November 2, 1956

## SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM

CHANGES IN RESERVES FOR YEAR ENDED JUNE 30, 1956

(Continued)

Total additions to reserves		\$ 29,207,557.04
DEDUCTIONS FROM RESERVES:		
Allowances and benefits paid:		
From contributions for current service reserves:		
Members	\$1,584,506.63	
City and County of San Francisco	3,808,897.35	
From reimbursements by the City and County of San Francisco (contra):		
Current service benefits	1,028,029.62	
Prior service benefits	<u>3,099,385.86</u>	\$9,520,819.46
Accumulated contributions withdrawn		1,355,443.08
Net interest transferred to the credit of death benefits on deposit		<u>491.05</u>
Total deductions from reserves		<u>10,876,753.59</u>
Net additions to reserves		18,330,803.45
RESERVES AT JUNE 30, 1955		<u>163,601,228.26</u>
RESERVES AT END OF YEAR		<u>\$181,932,031.71</u>

See accompanying notes to financial statements and report of Arthur Young & Company dated November 2, 1956

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM

NOTES TO FINANCIAL STATEMENTS JUNE 30, 1956

- Note 1: All prior service benefits and certain current service benefits are a liability solely of the City and County of San Francisco and are not, therefore, included in the reserves to meet liabilities for benefits of the San Francisco City and County Employees' Retirement System.
- Note 2: The Charter of the City and County of San Francisco provides that the San Francisco City and County Employees' Retirement System is to act as the administrative agency in the matter of compensation insurance for all employees of the City. The Claims Adjuster estimated the future liability at June 30, 1956 of the City and County of San Francisco for compensation claims pending under the workmen's compensation laws of the State of California to be \$1,350,000.
- Note 3: Administrative expenses of the San Francisco City and County Employees' Retirement System and compensation costs incurred as the administrative agency of the City and County of San Francisco for industrial compensation insurance, being liabilities of the City and County of San Francisco, do not, therefore, affect the reserves of the Retirement System. The following tabulation sets forth transactions of this nature for the year ended June 30, 1956:

Administrative expenses of the Retirement System		\$212,758
Compensation insurance costs incurred:		
Weekly benefits	\$151,295	
Medical expenses	214,332	
Premiums	3,138	
Administrative expense	<u>21,410</u>	
	390,175	
Less: Refunds from special funds and subrogation recoveries	<u>185,319</u>	<u>204,856</u>
Reimbursements received from the City and County of San Francisco		<u>\$417,614</u>



## SUPPLEMENTAL INFORMATION

The San Francisco City and County Employees' Retirement System, hereafter referred to as "System," was established by the Board of Supervisors of the City and County of San Francisco, hereafter referred to as "City," on April 1, 1922, under authority of Article XVII of the Charter adopted at a general election on November 2, 1920. At that time the System provided for retirement allowances and death benefits for employees of the City other than uniformed members of the Police and Fire Departments and the San Francisco Unified School District. In 1925 membership was extended to include employees of the San Francisco Unified School District. Under the City Charter effective January 8, 1932, establishing the present name and administrative organization of the System, membership was extended to uniformed employees of the Police and Fire Departments. Prior to this time all such police and firemen were members of a separate pension plan. At June 30, 1956 there were approximately 19,000 employees and 4,500 retired members or their beneficiaries receiving monthly benefits.

Membership in the System is now compulsory for all full-time employees of the City and the San Francisco Unified School District, permanent civil service part-time employees, and certain elective officials. Hereafter in this report the use of the term "City" will include, wherever appropriate, the agencies employing members described in the preceding sentence.

Retirement benefits are based upon current service and prior service. Current service benefits fall into two categories; reserve and nonreserve; while past service benefits are in the non-reserve category only.

The reserve category of current service comprises contributions made by members and by the City, computed upon percentages of employees' earnings determined by the Consulting Actuary and based upon actuarial valuations made at intervals not exceeding six years. These percentages are approved by the Retirement Board. Upon approval of the Retirement Board, members have the right to make additional voluntary contributions but, for members who so elect, no additional contributions are required of the City. The total of normal and additional contributions is substantially limited to fifteen per cent of earnings.

The nonreserve category of current service benefits and all prior service benefits, being a liability solely of the City (except as indicated hereunder with respect to police under Section 166 of the City Charter), are not reflected in the statement of "Reserves to meet liabilities for benefits." Since the System administers these benefits, the payments made by it and the reimbursements thereof by the City appear as offsetting items in the statement of "Changes in reserves." That portion of the reimbursement based upon current services is for payments made to certain uniformed employees of the Fire Department under Section 169 of the City Charter. Similar payments for current service of uniformed employees of the Police Department, under Charter Section 166, include nominal contributions by these members.

In addition to retirement benefits based upon length of service, the System provides for the payment of disability pensions and allowances on account of service-connected death. Certain other death benefits are also available to beneficiaries of deceased members.

The cost of administering the System is a liability of the City. The Retirement Board acts as the administrative agency for the payment of compensation insurance to all employees of the City. For these reasons the administrative expense and compensation costs incurred are shown as notes on the statement of "Changes in reserves" rather than in the body of that statement.

The System is administered by the Retirement Board which has exclusive control of the funds of the System. The Board consists of the President of the Board of Supervisors, the City Attorney, a resident official of a life insurance company, and an officer of a bank, the latter two of whom are appointed by the Mayor, and three persons elected by and from the active membership. The Board appoints a Secretary and a Consulting Actuary.

The present members of the Retirement Board are John J. Ferdon, President of the Board of Supervisors; Dion R. Holm, City Attorney, whose designated representative is Norman S. Wolff, Assistant City Attorney; Harry J. Stewart of West Coast Life Insurance Company; and Belford Brown of First Western Bank and Trust Company. The three persons elected from the active membership are John F. Brady, President of the Retirement Board, William T. Reed, and William J. Murphy. Mr. Brady retired and was replaced by Martin F. Wormuth on July 1, 1956 at which time Harry J. Stewart became President of the Retirement Board. Ira G. Thompson is Secretary. Ralph R. Nelson was Consulting Actuary until May 1, 1956 when he retired. Until an appointment shall be made, Mr. Nelson is continuing to act in an advisory capacity on a voluntary basis.

## CHANGES IN RESERVES

Except for minor differences which are being corrected, contributions of members and contributions by the City for current service reserves were made in accordance with rates recommended by the Consulting Actuary and approved by the Board. The City's contributions were based upon rates established by actuarial surveys as of June 30, 1951 and June 30, 1954, adjusted in accordance with subsequent amendments to the Charter, as follows:

<u>Department</u>	<u>Charter Section</u>	Effective July 1, 1955	Effective Apr. 1, 1956	Effective July 1, 1956
		to <u>Mar. 31, 1956</u>	to <u>June 30, 1956</u>	
Police Department	168.1	21.062%	21.576%	19.714%
Fire Department	171.1	21.662	21.662	26.651
Municipal Railway	165.2	6.502	6.714	5.913
Water Department	165.2	10.605	10.807	12.107
All other departments	165.2	12.553	12.724	12.563

The rates set forth above, which are to become effective July 1, 1956, were adopted by resolution of the Retirement Board on March 28, 1956.

Bond interest earned of \$4,783,149 represents interest collected or accrued plus the excess of amortization of discounts over premiums. The Board adopted by resolution dated April 23, 1947 and effective July 1, 1947, 2-1/2% as the rate of interest to be used under the System. On this basis \$4,050,714 was credited to members' and City's accumulated contributions accounts during the year ended June 30, 1956. The balance of \$732,435 was credited to the "Contingency reserve against adverse experience account" as explained under the caption "Reserves."

The allowances and benefits paid during the year are classified as follows:

Service retirements	\$6,481,009
Disability retirements	1,707,412
Industrial death allowances	627,586
Death benefits to members' beneficiaries	532,861
Death benefits to beneficiaries of retired members	<u>172,451</u>
Total	<u>\$9,521,319</u>

#### NET ASSETS

##### Cash

Cash is in the custody of the Treasurer of the City and County of San Francisco.

Certain warrants amounting to \$48,065 which were cancelled by the Controller's Department after they remained unpaid for a period of six months were carried as outstanding warrants in the accounts of the System and were deducted to arrive at the cash balance. Warrants comprising a substantial portion of the above sum have been outstanding more than the statutory period within which claims of this nature are legally enforceable.

##### Receivables

Employees' contributions in the process of collection, \$646,820, are amounts withheld from the employees' salaries for the month of June, 1956 and contributions for the months of May and June, 1956 to be remitted by the City in behalf of certain employees on military leave.

Contributions and reimbursements due from the City are summarized as follows:

Contributions for current service reserves due from public utilities and special funds	\$586,082
Contributions of policemen paid to the Police Relief and Pension Fund prior to January 8, 1932	45,185
Reimbursement for insurance compensation costs	3,514
Other	<u>300</u>
Total	<u>\$635,081</u>

The amounts due from public utilities and special funds are for the City's share of contributions for the months of May and June, 1956.

Funds contributed by policemen prior to January 8, 1932 to a former pension plan were not transferred to the System upon their admission to membership on that date. These contributions will be collected from the City upon the separation, death, or retirement of members of the former pension plan.

The amounts due for insurance compensation costs under the Labor Code of the State of California represent disbursements made by the System for account of various governmental departments.

Bond interest accrued, \$1,378,400, represents coupons in the process of collection and accrued interest computed from the interest dates of the respective bond issues.

Bond investments at cost less amortization

Bonds owned by the System are held in the joint custody of the Treasurer and the Controller of the City. The amount of \$176,701,824 represents the purchase price of bonds owned adjusted for amortization of premiums and discounts from the purchase dates to June 30, 1956.

None of the bonds owned appeared in default as to principal or interest. A letter of representation was obtained from Mr. Ira G. Thompson, Secretary of the System, to the effect that all bonds are of a character legal for investment by insurance companies in the State of California, the criterion for the System established by the Charter.

### Liabilities

Unexpended tax appropriations, \$190,923, payable to the City is the excess of appropriations over requirements for the year ended June 30, 1956 and is analyzed as follows:

Balance June 30, 1955	\$ 169,380	
Tax appropriation allocated to System for current year		<u>10,877,771</u>
		11,047,151
Less:		
Unexpended appropriation for 1954/55 returned to General Fund	\$ 169,380	
Charges for current and prior service benefits and other costs	<u>10,686,848</u>	<u>10,856,228</u>
Balance June 30, 1956		<u>\$ 190,923</u>

Opinion number 881 of the City Attorney, dated September 24, 1954, provides that the excess in appropriations made to the System subsequent to July 1, 1946 is to be returned to the General Fund in compliance with Section 80 of the Charter. Amounts of this nature accumulated prior to July 1, 1946 are retained in the reserves by the System.

Death benefits on deposit, \$19,443, represent sums payable monthly to beneficiaries of deceased members.

### RESERVES TO MEET LIABILITIES FOR BENEFITS

Current service benefits already granted, \$49,796,264, represent the balance available for payment of pensions or allowances of retired and deceased members.



As previously explained, funds for the prior service portion of all benefits granted to retired members and the allowances for members retired under Sections 166 and 169 of the Charter, are not reflected in the reserves of the System but are reimbursed monthly by the City.

Current service benefits not yet granted, \$121,399,865, are comprised of the balances at June 30, 1956 of the accumulated members' contributions of \$58,218,744, including interest credited thereto, and accumulated contributions of the City, \$63,181,121, including interest.

Individual account balances are maintained by the System for accumulated members' contributions and interest. Separate accounts for individual members are not maintained for contributions of the City.

City contributions reserved for prior and current service not otherwise funded, \$2,294,496, consist of contributions made prior to July 1, 1946 by the City for police and firemen under Sections 166 and 169 of the Charter not required by reason of death or withdrawal of the members, together with contributions transferred since June 30, 1946 under "matching plans" as tabulated hereunder. Transfers are made from this reserve to the reserve for disability retirements in the amounts recommended by the Consulting Actuary to maintain the actuarial present cash value of that portion of the reserve pertaining to members retired under matching plans. This reserve is also reduced for certain death benefits and for the restoration of matching City contributions in connection with redeposit of contributions of members previously withdrawn. Changes during the year under review were as follows:



Balance at June 30, 1955		\$2,515,125
Increases:		
Matching contributions released on withdrawal of active members	\$ 24,269	
Matching contributions released on death of active members	25,350	
Interest credited to reserve	<u>113,702</u>	<u>163,321</u>
		2,678,446
Decreases:		
Amount allocated to the reserve for disability pensions:		
Required at June 30, 1956	2,364,315	
Required at June 30, 1955	<u>2,062,609</u>	
Increase in amount allocated	301,706	
Death benefits paid to beneficiaries of matching plan members	74,350	
Amount transferred on account of redeposit of members' contributions previously withdrawn	<u>7,894</u>	<u>383,950</u>
Balance at June 30, 1956		<u>\$2,294,496</u>

Unallocated gains on sales of bonds, \$2,365,690, represent that portion of gains from the sales of certain bonds, the proceeds of which were considered by the Retirement Board as re-invested in other bonds purchased. These gains are being distributed over the life of the bonds purchased as follows:

Gains realized from sales of bonds:	
Year ended June 30, 1943	\$ 400,421
1944	1,418,102
1945	3,207,543
1954	31,051
1955	<u>57,766</u>
	5,114,883
Applied for twelve years ended June 30, 1955	<u>2,556,853</u>
	2,558,030
Applied for year ended June 30, 1956	<u>192,340</u>
Unallocated gains at June 30, 1956	<u>\$2,365,690</u>

Contingency reserve against adverse experience, \$6,052,454, represents the excess of interest earned on bond investments over amounts credited annually to reserve accounts, as well as gains of \$2,768,082 from the sales of bonds in prior years. This reserve, established to meet possible deficiencies in interest of future years, losses on investments, and other contingencies, was approved by the Retirement Board on December 1, 1948.

Changes in the reserve during the year are:

Balance June 30, 1955		\$5,124,820
Excess of bond interest earned over amount credited to accumulated reserves for current service benefits:		
Earned	\$4,783,149	
Credited to reserves	<u>4,050,714</u>	732,435
Prior years' gains on sales of bonds applied during the year		192,340
Gain on bonds sold and called during the year		1,661
Interest earned on amount due from City for contributions of policemen paid to the Police Relief and Pension Fund prior to January 8, 1932		<u>1,198</u>
Balance June 30, 1956		<u>\$6,052,454</u>

# Treasurer's Office

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REPORT ON EXAMINATION OF ACCOUNTS  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 1956

CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

October 19, 1956

Mr. Harry D. Ross  
Controller  
City and County of San Francisco

OFFICE OF THE TREASURER  
Examination of Accounts  
Fiscal Year Ended June 30, 1956

Dear Sirs:

Under your direction and pursuant to the provisions of Charter Section 66, we have examined the Treasurer's financial statements and records. Mr. David F. Supple, Consultant and Statistician to the Grand Jury, participated.

Our examination was made in accordance with generally accepted auditing standards and procedures and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion the accompanying report with schedules attached presents fairly the financial position of the Treasurer at June 30, 1956, and the results of its operations for the fiscal year then ended, on a basis consistent with that of the preceding year.

Respectfully submitted,

GENERAL AUDIT DIVISION

*M. Steinbeck*

MARTIN STEINBECK  
SUPERVISING ACCOUNTANT

APPROVED:

*Harry D. Ross*  
HARRY D. ROSS  
CONTROLLER

# REPORT OF EXAMINATION

The Treasurer's accountability for cash and securities at June 30, 1956, amounted to \$381,504,755.43 compared with the June 30, 1955 total of \$343,788,447.69.

<u>Cash and Securities</u>	<u>June 30, 1956</u>	<u>June 30, 1955</u>
Cash and cash items	\$ 88,168,291.43	\$ 83,336,033.69
Securities (Par Value)	<u>293,336,464.00</u>	<u>260,452,414.00</u>
Total (Exhibit "A")	<u>\$381,504,755.43</u>	<u>\$343,788,447.69</u>

## CASH AND CASH ITEMS \$88,168,291.43

Cash and cash items (Exhibit "A"), are summarized as follows:

<u>Cash and Cash Items</u>	<u>June 30, 1956</u>	<u>June 30, 1955</u>
Cash and cash items on hand	\$ 1,617,766.82	\$ 1,573,909.04
Cash in banks	85,771,838.38	80,891,708.34
United States bonds (Par Value)	<u>55,250.00</u>	<u>102,900.00</u>
Total	\$ 87,444,855.20	\$ 82,568,517.38
Cash received after June 30, 1956 and applied to fiscal year 1955-56	<u>723,436.23</u>	<u>767,516.31</u>
Total	<u>\$ 88,168,291.43</u>	<u>\$ 83,336,033.69</u>

The above \$88,168,291.43 was reconciled with the Controller's available cash of \$76,929,633.95; the difference of \$11,238,657.48 consists of outstanding items per Controller's Division of Accounts and Reports, as follows:

<u>Outstanding Items</u>	<u>General City</u>	<u>Public Service Enterprises</u>	<u>Total</u>
Warrants outstanding	\$9,300,457.30	\$1,849,202.68	\$11,149,659.98
Matured and unpaid bonds	3,000.00	24,200.00	27,200.00
Matured and unpaid coupons	<u>9,502.50</u>	<u>52,295.00</u>	<u>61,797.50</u>
Total	<u>\$9,312,959.80</u>	<u>\$1,925,697.68</u>	<u>\$11,238,657.48</u>

## CASH AND CASH ITEMS ON HAND

The sum of \$1,617,766.82 consists of:

<u>Item</u>	<u>Amount</u>	<u>Comments</u>
Coin and currency	\$ 813,334.15	Verified by count.
Checks on hand for deposit	803,545.27	All current, deposited in bank July 2, 1956.
Due from Clearing House	<u>887.40</u>	Adjusted on the next day's clearing.
Total	<u>\$1,617,766.82</u>	

CASH IN BANKS \$85,771,838.38

Cash in banks was confirmed by direct correspondence with the banks and is summarized as follows:

Bank	Amount of Deposit			Per Cent
	Inactive	Active	Total	
American Trust Co.	\$ 4,000,000.00	\$ 2,433,609.47	\$ 6,433,609.47	7.50%
Bank of America	21,050,000.00	17,519,791.01	38,569,791.01	44.97%
Bank of California	4,250,000.00	3,167,863.82	7,417,863.82	8.65%
Bank of Canton	500,000.00	500,000.00	1,000,000.00	1.17%
Bank of Montreal	500,000.00	500,000.00	1,000,000.00	1.17%
Bank of Tokyo	250,000.00	250,000.00	500,000.00	.58%
Crocker - Anglo Bank	8,875,000.00	5,487,821.21	14,362,821.21	16.75%
Canadian Bank of Commerce	650,000.00	650,000.00	1,300,000.00	1.52%
First Western Bank	2,500,000.00	2,025,832.81	4,525,832.81	5.27%
Hongkong and Shanghai Bank	250,000.00	250,000.00	500,000.00	.58%
Hibernia Bank	250,000.00	250,000.00	500,000.00	.58%
Pacific National Bank	750,000.00	1,000,000.00	1,750,000.00	2.04%
Sumitomo Bank	250,000.00	250,000.00	500,000.00	.56%
Wells Fargo Bank	4,000,000.00	3,411,920.05	7,411,920.05	8.64%
Total	<u>\$48,075,000.00</u>	<u>\$37,696,838.38</u>	<u>\$85,771,838.38</u>	<u>100.00%</u>
Percentage of Total	56.05%	43.95%	100.00%	

All inactive accounts are maintained in compliance with Government Code Section 53643:

"The Treasurer may deposit any part of the money for a definite term agreed upon between him and the depository. The term shall not exceed one year".

Supervisors' Resolution No. 3469, approved August 16, 1947, authorized the Treasurer to enter into the necessary agreements with the banks, as required by law for the deposit of funds under his jurisdiction, and to determine the amount that shall be deposited in either active or inactive accounts.

The amounts on deposit with the banks June 30, 1956, (Exhibit "A-1"), are within the limitations specified in Government Code Section 53638:

"The deposit shall not exceed the total of the paid-up capital and surplus, of any depository".

Interest totaling \$564,287.04 was earned on inactive deposit balances during the fiscal year.

UNITED STATES BONDS (PAR VALUE) \$55,250.00

United States Bonds representing Superior and Municipal Court bail deposits, include \$6,750.00 for which court orders for release or forfeiture were issued.

CASH RECEIVED AFTER JUNE 30, 1956 \$723,436.23

This item represents 1955-1956 collections which were deposited with the Treasurer in July 1956:

<u>Date Deposited</u>	<u>Amount</u>
July 2, 1956	\$553,163.23
July 3, 1956	90,045.88
July 5, 1956	<u>80,227.12</u>
Total	<u>\$723,436.23</u>

SECURITIES (PAR VALUE) \$293,336,464.00

Securities summarized below, except collateral securities deposited by banks, are held in the joint custody vault, as provided by Charter Section 83.

<u>SECURITIES CHARGED TO THE TREASURER</u>	<u>Par Value</u>	<u>Controller's Book Value</u>
<u>BONDS:</u>		
Employees' Retirement Fund	\$176,804,250.00	\$176,701,453.88
Bequest Funds	277,500.00	278,102.50
Trust Funds	15,000.00	15,585.00
Deposit on Leases	109,000.00	109,000.00
Miscellaneous	<u>1,475.00</u>	<u>1,475.00</u>
Total	<u>\$177,207,225.00</u>	<u>\$177,105,616.38</u>
<u>CORPORATE STOCK:</u>		
Bequest Funds	\$ 239.00	\$ 2,094.25
Deposit on Leases	<u>4,000.00</u>	<u>5,000.00</u>
Total	<u>\$ 4,239.00</u>	<u>\$ 7,094.25</u>

SECURITIES NOT CHARGED TO THE TREASURER

Collateral Securities	<u>\$116,125,000.00</u>	<u>\$112,779,106.63 (1)</u>
Total, June 30, 1956	<u>\$293,336,464.00</u>	<u>\$289,891,817.26</u>

(1) Market Value

BONDS (PAR VALUE) - EMPLOYEES' RETIREMENT FUND \$176,804,250.00

Verification and physical count of bonds was made in conjunction with representatives of Arthur Young & Co., Certified Public Accountants, in connection with audit of the Employees' Retirement System.



Pursuant to the Controller's instructions dated August 15, 1940, bonds and coupons maturing during the fiscal year were examined and released by the Controller's Division of Accounts and Reports to the Treasurer for collection. Reports reflecting monthly collections for 1955-1956 were prepared by the Controller's Division of Accounts and Reports and transmitted to the Employees' Retirement Board, as requested in their memorandum dated August 6, 1933.

Transactions during the year under review are summarized as follows:

Balance, June 30, 1955 . . . . .	\$158,319,000.00
Purchases . . . . .	<u>18,812,000.00</u>
	\$177,131,000.00
Less: Bonds matured, called, or sold	<u>326,750.00</u>
Balance, June 30, 1956	<u>\$176,804,250.00</u>

BONDS (PAR VALUE) - BEQUEST AND TRUST FUNDS \$292,500.00 (EXHIBIT "A-2")

Bonds in the above amount and unmatured interest coupons attached were examined and verified with the Controller's records; detail of bonds examined is contained in audit working papers.

Interest collections on Bequest and Trust Funds are audited currently by the Controller's Division of Accounts and Reports.

During the fiscal year the Robinson and Windel Bequest Funds redeemed \$5,000.00 and \$15,000.00 par value U. S. Savings Bonds, respectively, maturing February 1, 1956.

BONDS (PAR VALUE) - DEPOSITS ON LEASES \$109,000.00 (EXHIBIT "A-2")

These bonds represent security on various leases of City and County property.

BONDS (PAR VALUE) - MISCELLANEOUS \$1,475.00 (EXHIBIT "A-2")

The above represents deposits by various City and County departments for safe-keeping.

CORPORATE STOCK - \$4,239.00 (EXHIBIT "A-2")

Corporate Stock consists of \$239.00 in bequest funds and a \$4,000.00 lease deposit.

COLLATERAL SECURITIES - (PAR VALUE BONDS) \$116,125,000.00 (EXHIBIT "A-1")

The securities consist of Federal, State, or other Government Bonds of a type required by Government Code Section 53651 and approved by the Treasurer and City Attorney, in accordance with Government Code Section 53655.



Government Code Section 53657 provides:

"The market value of the securities securing active or inactive deposits shall be at least 10 per cent in excess of the amount of the deposit secured by them but the amount of the deposit shall not exceed the face value of the securities".

The individual bank balances are detailed in Exhibit A-1. Balances at June 30, 1956 were less than the face value of the collateral deposited; the market value of said collateral exceeded the amount of the deposit by at least 10%.

AUTHORIZED CITY AND COUNTY BONDS - UNSOLD (UNISSUED) \$118,460,00.00

Unsold (Unissued) City and County Bonds at June 30, 1956 represent the remainder of issues authorized by the electorate, as follows:

	Total Authorized	Sold		Unsold June 30, 1956
		Prior to 1955-1956	During 1955-1956	
<u>Authorized Nov. 4, 1947</u>				
1947 Street Improvement	\$ 22,850,000	\$15,900,000	\$ 1,250,000	\$ 5,700,000
1947 Recreation Bond	12,000,000	9,330,000	1,500,000	1,170,000
1947 Off-Street Parking	5,000,000	1,000,000	2,000,000	2,000,000
<u>Authorized June 1, 1948</u>				
1948 Sewage Treatment	15,000,000	13,550,000	1,000,000	450,000
<u>Authorized Nov. 2, 1948</u>				
1948 Schools	48,890,000	47,900,000		990,000
<u>Authorized Nov. 4, 1952</u>				
1952 Fire House	4,750,000	1,800,000	1,000,000	1,950,000
<u>Authorized June 8, 1954</u>				
1954 Sewer	12,645,000		2,500,000	10,145,000
<u>Authorized Nov. 2, 1954</u>				
1954 Laguna Honda Home and Hospital	5,475,000		2,500,000	2,975,000
1954 Exhibit Hall	3,275,000			3,275,000
1954 Recreation Center	5,000,000			5,000,000
1954 S. F. Hospital	5,830,000		1,500,000	4,330,000
<u>Authorized Nov. 8, 1955</u>				
1955 Playgrounds and Recreation Centers	7,000,000			7,000,000
1955 Hetch Hetchy Power	54,000,000			54,000,000
<u>Authorized June 5, 1956</u>				
1956 Hall of Justice	19,475,000			19,475,000
<b>Total</b>	<u><u>\$221,190,000</u></u>	<u><u>\$99,480,000</u></u>	<u><u>\$13,250,000</u></u>	<u><u>\$118,460,000</u></u>

There were no printed unsold bonds on hand. It is the practice of the Treasurer to order the printing of the bonds when a sale has been made by the Board of Supervisors.

#### FISCAL AGENT - NEW YORK

Ordinance No. 1184, approved May 20, 1941, designates the First National City Bank of New York as the fiscal agent of the City and County of San Francisco for the purpose of providing payment in the City of New York of principal and interest due on bonds issued by the City and County of San Francisco, and provides the rates of compensation for said fiscal agent.

Transactions reported by said agent and compensation earned during the year ended June 30, 1956, follows:

	Par Value Paid and Cancelled	Compensation	
		Authorized Rate	Earned 1955-1956
Bonds	\$7,599,000.00	1/20 of 1%	\$ 3,799.50
Coupons (181,785)	2,377,411.25	4¢ each	7,271.40
Total	<u>\$9,976,411.25</u>		<u>\$11,070.90 (1)</u>

(1) Includes \$1,673.34 for last quarter, which was paid August 2, 1956.

#### UNITED STATES SAVINGS BONDS

The purchase of United States Savings Bonds by City and County employees under the Payroll Allotment Plan was authorized by Board of Supervisors' Resolution Nos. 2666 and 3786, adopted June 2, 1942 and January 17, 1944, respectively.

The issue value of bonds purchased during the year for City and County employees was \$626,343.75 as compared with \$610,050.00 for the years 1954-1955.

#### REVENUES AND EXPENDITURES (EXHIBIT "B")

Revenues exceed expenditures and encumbrances by \$479,909.71. A comparison with the prior fiscal year follows:

Revenues	1955-56	1954-55
Interest earned on inactive bank deposits	\$564,287.04	\$541,647.38
Commissions received on Inheritance Tax Collections	\$59,187.08	37,709.59
Less: Deferred to 1956-57	<u>19,187.08</u>	40,000.00
Other Fees	119.00	99.00
Conscience Money	177.00	831.00
Total	<u>604,383.04</u>	<u>560,286.97</u>
<u>Expenditures and Encumbrances</u>		
Per Controller's records	<u>124,673.33</u>	<u>119,144.81</u>
Net Revenues	<u>\$479,909.71</u>	<u>\$461,142.16</u>

A five year comparative statement of revenues, expenditures and encumbrances is reflected on Exhibit B.

INTEREST EARNED ON INACTIVE BANK DEPOSITS \$564,287.04

In accordance with Government Code Sections 53645 and 53649, interest is computed at rates specified in depository agreements on average daily balances. Such interest was received quarterly and distributed as follows:

	1955-1956 Budget Estimate	Interest Earned	
		1955-1956	1954-1955
General Fund	\$500,000.00	\$518,187.09	\$506,123.94
Municipal Railway Operating	15,000.00	27,642.60	18,417.25
Total	\$515,000.00	\$545,829.69	\$524,541.19
Water Operating	18,465.00	18,457.35	17,106.19
Total	<u>\$533,465.00</u>	<u>\$564,287.04</u>	<u>\$541,647.33</u>

The \$27,642.60 credited to Municipal Railway Operating Fund was distributed and prorated quarterly out of the total unapportioned interest of \$545,829.69, on the basis of the Treasurer's daily balances in that fund.

The \$18,457.35 credited to Water Operating Fund was earned on two inactive bank accounts used exclusively for Water Department Funds.

COMMISSIONS ON INHERITANCE TAX COLLECTIONS \$40,000.00

Inheritance Tax Commissions and settlements with the State for the 12 months ending May 31, 1956, are summarized as follows:

Inheritance tax collections		\$4,255,156.79
Less disbursements:		
Payments to the State	\$4,015,072.37	
Refunds	161,122.10	
Appraiser's fees	<u>19,775.24</u>	4,195,969.71
Commissions received		59,137.08
Less: Deferred to fiscal year 1956-57		<u>19,137.03</u>
Commissions earned fiscal year 1955-56		<u>\$ 40,000.00</u>

Accounts maintained for Inheritance Tax purposes are recorded on State controlled prenumbered forms, subject to settlement with the State every two months, and to an audit by the State Controller's Office. Such audit was not duplicated in this assignment.

Pursuant to Section 14797 of the Revenue and Taxation Code, the maximum commissions a Treasurer of a county of the second class may retain is \$40,000.00 for a calendar year. The amount of \$59,137.08 was received during the fiscal year ended June 30, 1956, of which the sum of \$19,137.08 was deferred to fiscal year 1956-57 on the Controller's records.

OTHER FEES \$119.00

A fifty cent fee for a "Duplicate Tax Receipt" and a one dollar fee for "Listing contents of a Safe Deposit Box" is collected in accordance with Section 14144 and 14346 of the Revenue and Taxation Code.

CONSCIENCE MONEY \$177.00

This represents various remittances received from unidentified sources and classified as "Conscience Money".

EXPENDITURES AND ENCUMBRANCES \$124,673.33

Expenditures and encumbrances, compared with budget appropriations for 1955-56 are as follows:

<u>By Treasurer</u>	<u>Appropriations as Modified</u>	<u>Expenditures and Encumbrances</u>
Permanent salaries	\$107,095.68	\$107,043.00
Allowance for overtime	500.00	243.01
Contractual services	14,161.00	14,160.98
Use of Employees' cars	300.00	299.36
Materials and supplies	1,678.00	1,664.17
 <u>By Purchaser</u>		
Materials and supplies	142.00	134.27
Contractual services	<u>1,300.00</u>	<u>1,128.54</u>
 Total	<u>\$125,176.68</u>	<u>\$124,673.33</u>

Expenditures and encumbrances are currently audited by the Controller's General Office. Such audit was not duplicated in this assignment.

SURETY BONDS AND INSURANCE

Detail of Surety Bonds and Insurance in force during the fiscal year is reflected in Exhibit "E".

Notes:

Exhibits A-1, A-2, D and E reflect detail of transactions presented in summary form in the body of the foregoing report. They have not been reproduced in this publication.

SUMMARY OF CASH AND SECURITIES

	<u>June 30th</u>	
	<u>1956</u>	<u>1955</u>
<u>CASH AND CASH ITEMS</u>		
<u>CASH AND CASH ITEMS ON HAND</u>		
Coin and currency	\$ 813,334.15	\$ 952,938.94
Checks on hand for deposit	803,545.27	620,141.15
Due from Clearing House	887.40	828.95
Total	<u>\$ 1,617,766.82</u>	<u>\$ 1,573,909.04</u>
<u>CASH IN BANKS</u>		
Active accounts	\$ 37,696,838.38	\$ 33,316,708.34
Inactive accounts	<u>48,075,000.00</u>	<u>47,575,000.00</u>
Total	<u>\$ 85,771,838.38</u>	<u>\$ 80,891,708.34</u>
<u>UNITED STATES BONDS (FACE VALUE)</u>	<u>\$ 55,250.00</u>	<u>\$ 102,900.00</u>
<u>CASH RECEIVED AFTER JUNE 30, 1956 AND APPLIED TO THE FISCAL YEAR 1955-1956</u>	<u>\$ 723,436.23</u>	<u>\$ 767,516.31</u>
Total (Exhibits "C" and "D")	<u>\$ 88,168,291.43</u>	<u>\$ 83,336,033.69</u>
<u>SECURITIES</u>		
<u>BONDS (PAR VALUE)</u>		
Collateral from banks (Exhibit "A-1")	\$116,125,000.00	\$101,706,000.00
Employees' Retirement Fund	176,804,250.00	158,319,000.00
Bequest funds and miscellaneous deposits	278,975.00	298,975.00
Trust funds	15,000.00	15,000.00
Deposits on leases	<u>109,000.00</u>	<u>108,000.00</u>
Total	<u>\$293,332,225.00</u>	<u>\$260,446,975.00</u>
<u>STOCKS (PAR VALUE)</u>		
Deposit on lease	\$ 4,000.00	\$ 5,000.00
Bequest funds	<u>239.00</u>	<u>439.00</u>
Total	<u>\$ 4,239.00</u>	<u>\$ 5,439.00</u>
Total	<u>\$293,336,464.00</u>	<u>\$260,452,414.00</u>
Total cash and securities	<u>\$381,504,755.43</u>	<u>\$343,788,447.69</u>

## TREASURER

EXHIBIT "B"

## COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND ENCUMBRANCES

	Fiscal Year Ended June 30th			
	1956	1955	1954	1953
<u>REVENUES</u>				
Interest earned on the deposit of public funds	\$564,287.04	\$541,647.38	\$615,018.93	\$564,398.07
Commissions on Inheritance Tax Collections	40,000.00(1)	37,709.59	31,211.21	31,733.98
Duplicate "Inheritance Tax Receipt" fees, etc.	119.00	99.00	86.00	111.00
Consistency money	177.00	831.00	130.00	237.11
				534.00
<b>Total</b>	<b>\$604,583.04</b>	<b>\$580,286.97</b>	<b>\$646,446.14</b>	<b>\$596,480.16</b>
				\$601,758.33
<u>EXPENDITURES AND ENCUMBRANCES</u>				
Permanent salaries	\$107,043.00	\$101,425.90	\$ 96,285.00	\$ 95,683.52
Allowance for overtime	243.01	293.24	457.11	755.38
Contractual services	4,517.93	3,616.67	2,219.87	2,169.07
Fiscal Agent - New York	11,070.90(2)	11,616.92	11,750.00	13,325.00
Materials and supplies	1,798.44	1,655.14	1,667.21	1,831.12
Equipment		536.94	-	485.91
				1,328.91
<b>Total</b>	<b>\$124,673.33</b>	<b>\$119,144.81</b>	<b>\$112,389.19</b>	<b>\$114,280.00</b>
				\$110,735.19
<u>Net revenues</u>				
(1) Received	\$59,187.08			
Deferred to 1956-57	19,187.28			
Earned	<u>\$40,000.00</u>			
(2) Includes \$1,673.34, fourth quarter. Paid August 2, 1956		\$461,142.16	\$534,056.95	\$482,200.16
				\$491,023.14



COMPARATIVE SUMMARY OF CASH TRANSACTIONS

<u>CASH TRANSACTIONS</u>	<u>Fiscal Year Ended June 30th</u>	
	<u>1956</u>	<u>1955</u>
<u>CASH BALANCE - BEGINNING OF YEAR</u>	<u>\$ 83,336,033.69</u>	<u>\$ 84,846,611.76</u>
<u>RECEIPTS</u>		
Receipts	\$250,305,239.34	\$237,110,692.49
Journal transfers (Contra)	<u>245,116,842.77</u>	<u>237,260,514.39</u>
Total	<u>\$495,422,082.11</u>	<u>\$474,371,206.88</u>
Total Balance and Receipts	<u>\$578,758,115.80</u>	<u>\$559,217,818.64</u>
<u>DISBURSEMENTS</u>		
Cash disbursements	\$245,472,981.60	\$238,621,270.56
Journal transfers (Contra)	<u>245,116,842.77</u>	<u>237,260,514.39</u>
Total	<u>\$490,589,824.37</u>	<u>\$475,881,784.95</u>
<u>CASH BALANCE - END OF YEAR (EXHIBITS "A" and "D")</u>	<u>\$ 88,168,291.43</u>	<u>\$ 83,336,033.69</u>

COMPARATIVE SUMMARY OF CASH TRANSACTIONS

<u>CASH TRANSACTIONS</u>	<u>Fiscal Year Ended June 30th</u>	
	<u>1956</u>	<u>1955</u>
<u>CURRENT FUNDS</u>		
Cash balance - Beginning of year	\$ 49,555,140.68	\$ 45,627,318.80
Cash receipts	196,226,197.37	190,477,722.91
Journal transfers	<u>221,508,837.97</u>	<u>213,599,956.26</u>
Total Available	<u>\$467,290,176.02</u>	<u>\$449,704,997.97</u>
Cash disbursements	\$176,301,706.24	\$170,421,580.25
Journal transfers	<u>234,226,236.03</u>	<u>229,728,277.04</u>
Total Disbursements	<u>\$410,527,942.27</u>	<u>\$400,149,857.29</u>
CASH BALANCE - END OF YEAR (EXHIBIT "D")	<u>\$ 56,762,233.75</u>	<u>\$ 49,555,140.68</u>
<u>CAPITAL FUNDS</u>		
Cash balance - Beginning of Year	\$ 25,188,602.60	\$ 32,252,270.46
Cash receipts	14,359,386.70	8,286,221.46
Journal transfers	<u>5,615,748.31</u>	<u>5,576,405.84</u>
Total Available	<u>\$ 45,163,737.61</u>	<u>\$ 46,114,897.76</u>
Cash disbursements	\$ 12,323,462.63	\$ 15,863,641.41
Journal transfers	<u>9,947,842.08</u>	<u>5,062,653.75</u>
Total Disbursements	<u>\$ 22,271,304.71</u>	<u>\$ 20,926,295.16</u>
CASH BALANCE - END OF YEAR (EXHIBIT "D")	<u>\$ 22,892,432.90</u>	<u>\$ 25,188,602.60</u>
<u>TRUST AND ASSESSMENT FUNDS</u>		
Cash balance - Beginning of year	\$ 8,592,290.41	\$ 6,967,022.50
Cash receipts	39,719,655.27	38,346,748.12
Journal transfers	<u>17,992,256.49</u>	<u>18,084,152.29</u>
Total Available	<u>\$ 66,304,202.17</u>	<u>\$63,397,922.91</u>
Cash disbursements	\$ 56,847,812.73	\$52,336,048.90
Journal transfers	<u>942,764.66</u>	<u>2,469,583.60</u>
Total Disbursements	<u>\$ 57,790,577.39</u>	<u>\$54,805,632.50</u>
CASH BALANCE - END OF YEAR (EXHIBIT "D")	<u>\$ 8,513,624.78</u>	<u>\$ 8,592,290.41</u>
TOTAL CASH ON HAND (EXHIBIT "A" and "D")	<u>\$ 88,168,291.43</u>	<u>\$ 83,336,033.69</u>



# Airport Department

SAN FRANCISCO INTERNATIONAL AIRPORT

SAN MATEO COUNTY



REPORT ON EXAMINATION OF ACCOUNTS

FOR THE FISCAL YEAR ENDED

JUNE 30, 1956

CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

November 9, 1956

Mr. Harry D. Ross  
Controller  
City and County of San Francisco

AIRPORT DEPARTMENT

San Francisco International Airport - San Mateo County

Examination of Accounts

For the Year Ended June 30, 1956

Dear Sirs:

Under your direction and pursuant to the provisions of Charter Section 66, we have examined the financial statements listed below of the San Francisco International Airport, San Mateo County. Mr. David F. Supple, Consultant and Statistician to the Grand Jury, participated.

- Exhibit A - Balance Sheet, June 30, 1956
- Exhibit B - Statement of Surplus for the year ended June 30, 1956
- Exhibit C - Statement of Income and Expense for the years ended June 30, 1956 and June 30, 1955
- Schedule C-1- Miscellaneous Additions to and Deductions from Income for the year ended June 30, 1956
- Exhibit D - Comparative report of Aircraft Movements and Traffic, including Domestic and International Activities, for the years ended June 30, 1956 and June 30, 1955

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the financial position of the San Francisco International Airport at June 30, 1956, and the results of its operations for the fiscal year then ended, on a basis consistent with that of the preceding year.

Respectfully submitted,

*N. B. Cooper*

Nathan B. Cooper  
Supervisor, Utility Audits

Approved:

*Harry D. Ross*  
HARRY D. ROSS  
CONTROLLER

## EXHIBIT A

AIRPORT DEPARTMENT  
SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN MATEO COUNTY

BALANCE SHEET AT JUNE 30, 1956

A S S E T S

<b>Fixed Capitals:</b>			
In service	\$50,146,821.57		
Less reserve for depreciation	<u>7,887,858.54</u>		
Net book value	\$42,258,963.03		
Under construction	<u>22,482.52</u>	\$42,281,445.55	
<b>Cash:</b>			
On deposit with City and County Treasurer	\$ 1,512,364.20		
Revolving fund	<u>2,500.00</u>	1,514,864.20	
<b>Accounts Receivable:</b>			
Estimated federal grants	\$89,414.00		
Less: Reserve for estimated federal grants	<u>89,414.00</u>	-0-	
Revenues accrued and other receivables (net)	\$ <u>319,716.21</u>	319,716.21	
<b>Interfund Accounts:</b>			
Due from general city and county	\$ 3,068.76		
Due from other public service enterprises	<u>679.64</u>	3,748.40	
<b>Deferred Charges:</b>			
Materials and supplies	\$ 14,139.72		
Commitments (contra)	187,386.62		
Other deferred items	<u>34,887.16</u>	236,413.50	
Total Assets		<u>\$44,356,187.86</u>	

L I A B I L I T I E S   A N D   S U R P L U S

<b>Bonded Debt:</b>			
Maturing within year ending June 30, 1957	\$ 2,379,000.00		
Maturing Sept. 1, 1957 through April 1, 1966	<u>8,747,000.00</u>	\$11,126,000.00	
<b>Bond Interest:</b>			
Matured coupons not presented for payment	\$ 2,511.25		
Accrued, not due	<u>36,794.79</u>	39,306.04	
<b>Accounts Payable:</b>			
Outstanding warrants	\$ 85,010.47		
General creditors	27,122.38		
Commitments (contra)	<u>187,386.62</u>	299,519.47	
<b>Interfund Accounts:</b>			
Due to general city and county	\$ 562,618.11		
Due to other public service enterprises	<u>46,790.33</u>	609,408.44	
Deferred Credits		<u>251,216.26</u>	
Total Liabilities		\$12,325,450.21	
Surplus - Exhibit B		<u>32,030,737.65</u>	
Total Liabilities and Surplus		<u>\$44,356,187.86</u>	

The accompanying notes to financial statements are an integral part of this balance sheet.

EXHIBIT B  
AIRPORT DEPARTMENT  
SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN MATEO COUNTY

SURPLUS  
YEAR ENDED JUNE 30, 1956

Surplus, June 30, 1955, annual report of Controller		\$30,998,911.33
Add:		
Contributions:		
Ad valorem tax for Debt Service	\$795,773.84	
State of California, special aviation fund	9,975.10	
Contribution from Federal Agencies:		
CAA Grant #509	<u>217,285.27</u>	1,023,034.21
Net Profit, fiscal year 1955-56 - Exhibit C		<u>10,721.85</u>
Total		\$32,032,667.39
Deduct:		
Expense of securing CAA Grant #509		<u>1,929.74</u>
Surplus, June 30, 1956		<u>\$32,030,737.65</u>

## EXHIBIT C - Page 1

AIRPORT DEPARTMENT  
SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE  
YEARS ENDED JUNE 30, 1956 AND JUNE 30, 1955

OPERATING REVENUES:	<u>June 30, 1956</u>	<u>June 30, 1955</u>
<b>Air carrier Flight Operations:</b>		
Scheduled	\$446,448.09	\$415,850.79
Scheduled feeder lines	22,831.70	19,692.24
Non-scheduled	<u>11,209.90</u>	<u>8,581.62</u>
<b>Total Air Carrier Flight Operations</b>	<u>\$480,489.69</u>	<u>\$444,124.65</u>
<b>Rentals:</b>		
Ramp area	\$ 15,861.60	\$ 9,360.45
Aircraft outdoor storage	13,780.25	14,553.00
Airport property		
Unimproved	54,271.40	49,779.51
Paved	40,307.21	38,365.40
Expansion area	3,971.91	2,655.54
Hangars		
Entire hangars	39,799.55	46,888.72
Partial hangars	6,108.34	8,089.46
Passenger terminal building office space	603,498.96	472,540.91
Airmail and cargo building office space	34,928.52	27,697.71
Other buildings and structures	<u>40,761.13</u>	<u>33,108.99</u>
<b>Total Rentals</b>	<u>\$853,288.87</u>	<u>\$703,039.69</u>
<b>Bulk Petroleum Deliveries:</b>		
Professional fire service	\$ 24,006.67	\$ 22,113.33
Rental of tank farm area	9,118.78	8,543.76
Wharfage charges	30,199.37	28,897.58
Pipe line licenses	<u>525.00</u>	<u>600.00</u>
<b>Total Bulk Petroleum Deliveries</b>	<u>\$ 63,849.82</u>	<u>\$ 60,154.67</u>

## EXHIBIT C - Page 2

AIRPORT DEPARTMENT  
SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE  
YEARS ENDED JUNE 30, 1956 AND JUNE 30, 1955

OPERATING REVENUES - Cont'd.	<u>June 30, 1956</u>	<u>June 30, 1955</u>
Services, Sales, Commissions and Permits:		
Public address system	\$ 14,142.36	\$ 12,906.62
Restaurant and allied services	284,173.48)	203,714.93)
Newspaper and tobacco counters	45,313.41	34,772.01)
Restaurant - old terminal	-0- )	17,304.28)
Taxicab and limousine permits	135,787.94	106,801.38
Parking Lot (includes parking meters)	368,536.62	279,753.71
U-Drive	148,716.19	91,819.31
Telephone commissions	14,320.33	11,488.13
Travel agency, air service and sales	46.85	226.38
Telegraph commissions	600.00	5,211.91
Insurance vending machines	14,809.68	14,418.85
Sale of petroleum products	58,613.11	65,331.27
Shoe shine stands	3,712.30	2,993.63
Vending and weighing machines	472.81	376.29
Baggage locker commissions	9,583.71	7,101.31
Rest rooms	14,423.72	12,553.58
Automobile service station	15,780.09	13,345.31
Public stenographer	213.60	511.11
Portrait sketches and sales	-0-	162.80
Florist	3,259.04	2,346.94
Gift shop	24,907.05	20,131.35
Advertising displays	14,485.25	7,102.00
Childrens' "Merry-Go-Rounds"	775.04	690.12
Candy shop	2,057.81	1,721.11
Book shop	4,507.23	3,121.93
Photography	1,287.94	926.01
Barber shop	3,224.83	2,518.47
Telescopes	294.43	331.25
Porter service	3,000.00	2,500.00
Telo-Tronics Agency	546.24	-0-
Total Services, Sales, Commissions and Permits	<u>\$1,187,591.06</u>	<u>\$ 922,181.99</u>
TOTAL OPERATING REVENUES	<u>\$2,585,219.44</u>	<u>\$2,129,501.00</u>

AIRPORT DEPARTMENT  
SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE  
YEARS ENDED JUNE 30, 1956 AND JUNE 30, 1955

OPERATING EXPENSES:	<u>June 30, 1956</u>	<u>June 30, 1955</u>
Salaries and Wages:		
General & administrative	\$ 46,817.66	\$ 43,495.10
Maintenance & operations	695,749.53	579,510.16
Total Salaries and Wages	<u>\$742,567.19</u>	<u>\$623,006.26</u>
Other Costs of Operations:		
Travel expense (business trips)	\$ 4,427.02)	\$ 2,514.97)
Travel expense and local fares	9.75)	1,347.07)
Employee transportation expense	18,090.00	16,149.60
Freight, express and drayage	477.21	189.56
Use of employees' cars - mileage only	19.28	22.56
Storage and care of vehicles	48.65	51.60
Maintenance and care of office equipment	741.24	701.19
Maintenance and care of other equipment	434.93	72.49
Heat, Light, Power - Water	73,067.75	63,067.35
Telephone and telegraph	\$32,796.91	
Less: Extension service		
charged to tenants	<u>21,414.53</u>	8,459.81
Postage	662.31	756.65
Printing, advertising, etc.	3,405.64	9,004.37
Newspapers and periodicals	528.95	435.71
Janitorial and window washing services:		
Contractual	5,532.81	9,914.23
Refuse disposal	440.68	1,241.19
Rentals of office furniture and equipment	305.00	626.82
Professional and special services	39,704.62	37,530.51
Celebrations (Flight Festival)	1,053.19	10,006.00
Miscellaneous contractual services	1,208.68	2,352.51
Operating material and supplies	17,033.07	27,252.75
P. U. C. - general office expense	24,883.47	13,263.04
Fire fighting expense	198,233.68	156,190.86
Purchasing Dept. expense	3,636.80	-0-
Towel service	139.88	-0-
Total Other Costs of Operation	<u>\$405,466.99</u>	<u>\$366,144.84</u>
Other Costs of Maintenance and Repairs:		
Landing area	\$ 201.01	\$ 1,145.82
Runways	24,427.94	14,551.28
Field lighting equipment	1,365.47	897.71
Radio equipment	1,854.80	1,393.31
Hangars	86.20	124.00
Administration building	25,271.23	10,910.26
Other buildings	2,234.14	2,528.73
Automotive equipment	4,203.04	4,154.12
Other equipment facilities	7,667.10	9,966.52
Parking areas, roads, walks, fences, etc.	7,914.05	6,903.14
Power distribution system	2,239.35	2,929.80
Total Other Costs of Maintenance and Repair	<u>\$ 77,514.33</u>	<u>\$ 55,505.69</u>

## EXHIBIT C - Page 4

AIRPORT DEPARTMENT  
SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE  
YEARS ENDED JUNE 30, 1956 AND JUNE 30, 1955

OPERATING EXPENSES - Cont'd.	<u>June 30, 1956</u>	<u>June 30, 1955</u>
Fixed Charges:		
Accident compensation - employees	\$ 668.80	\$ 925.15
Automobile insurance	1,977.81	1,947.15
Other insurance	14,507.03	29,628.09
Pension and retirement allowance	90,299.17	71,886.10
Taxes paid	\$70,662.34	
Less charged to tenants	<u>8,319.77</u>	
Depreciation	62,342.57	7,919.58
Doubtful accounts	1,029,908.17	730,489.68
Injuries and damages	4,800.00	4,800.00
Membership dues	-0-	200.00
	<u>1,035.00</u>	<u>1,035.00</u>
Total Fixed Charges	<u>\$1,205,538.55</u>	<u>\$ 848,830.75</u>
TOTAL OPERATING EXPENSES	<u>\$2,431,087.06</u>	<u>\$1,893,487.54</u>
OPERATING PROFIT	<u>\$ 154,132.38</u>	<u>\$ 236,013.46</u>
OTHER INCOME:		
Resale of electric energy	\$ 333,028.40	\$ 303,717.05
Less cost thereof	<u>231,424.64</u>	<u>208,390.52</u>
Total	<u>\$ 101,603.76</u>	<u>\$ 95,326.53</u>
Resale of water	\$ 51,979.69	\$ 52,496.72
Less cost thereof	<u>47,844.51</u>	<u>49,326.24</u>
Total	<u>\$ 4,135.18</u>	<u>\$ 3,170.48</u>
Sale of steam	\$ 4,463.74(1)	\$ 3,556.96(1)
Miscellaneous	<u>\$ 4,357.60</u>	<u>\$ 821.49</u>
Total Other Income	<u>\$ 114,560.28</u>	<u>\$ 102,875.46</u>
Sub-total	<u>\$ 268,692.66</u>	<u>\$ 338,888.92</u>
OTHER EXPENSE:		
1945 and 1949 Airport Bond Interest Expense	\$ 168,796.86	\$ 138,586.88
Miscellaneous additions to and deductions from income - net deduction (Schedule C-1)	<u>89,173.95</u>	<u>89,037.72</u>
Total Other Expense	<u>\$ 257,970.31</u>	<u>\$ 227,624.60</u>
NET PROFIT	<u>\$ 10,721.85</u>	<u>\$ 111,264.32</u>

(1) Cost of steam is incidental to the production of steam for heating terminal building. No breakdown of unit costs is available.

The accompanying notes to financial statements are an integral part of this statement of income and expense.



## SCHEDULE C - 1

AIRPORT DEPARTMENT  
SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN MATEO COUNTY

MISCELLANEOUS ADDITIONS TO AND DEDUCTIONS FROM INCOME  
YEAR ENDED JUNE 30, 1956

	<u>Applicable to</u>		<u>Total</u>
	<u>1955-1956</u>	<u>Prior Years</u>	
<b>Deductions:</b>			
Provisions for possible uncollectibility of disputed accounts receivable:			
Trans World Airlines	\$ 51,123.40		\$ 51,123.40
Western Air Lines, Inc.	32,224.54		32,224.54
United Airlines, Inc.	2,400.00		2,400.00
Pan American Airways	2,400.00		2,400.00
Total	\$ 88,147.94		\$ 88,147.94
Demolition of buildings	64,824.69		64,824.69
Miscellaneous additions to expense	\$ 2,668.36		2,668.36
Miscellaneous deductions from revenue		946.01	946.01
Total deductions	<u>\$152,972.63</u>	<u>\$ 3,614.37</u>	<u>\$156,587.00</u>
<b>Additions:</b>			
Settlement of Fire Loss-Hangar No. 1	\$ 56,557.19		\$ 56,557.19
Revenue not previously recorded:			
Hertz U-Drive	\$ 3,288.42		3,288.42
United Air Lines, Inc.	3,015.00		3,015.00
Electricity sales	1,215.63		1,215.63
Pacific Southwest Airways	674.56		674.56
Airport Sales Corp.	609.33		609.33
Mercury Sales Co.	521.22		521.22
Miscellaneous	1,154.97		1,154.97
Total	\$ 10,479.13		\$ 10,479.13
Miscellaneous deductions from expense		376.73	376.73
Total additions	<u>\$56,557.19</u>	<u>\$ 10,855.86</u>	<u>\$ 67,413.05</u>
Net deduction	<u>\$96,415.44</u>	<u>\$ -7,241.49</u>	<u>\$ 89,173.95</u>

The accompanying notes to financial statements are an integral part of this statement of miscellaneous additions to and deductions from income.

## EXHIBIT D

## AIRPORT DEPARTMENT

## SAN FRANCISCO INTERNATIONAL AIRPORT

## SAN MATEO COUNTY

## STATISTICS

YEARS ENDED JUNE 30, 1956 AND JUNE 30, 1955

Comparative report of aircraft movements and traffic, including domestic and international activities, as reported by the various sources. The accuracy of this data has not been verified by the Controller's Utility Audit Division.

	<u>June 30,</u> <u>1956</u>	<u>June 30,</u> <u>1955</u>	<u>Increase</u> <u>Decrease (-)</u>	<u>%</u>
Aircraft arrivals and departures, including extra sections, as reported by the Civil Aeronautics Administration traffic control tower				
Carriers	129,313	139,618	-10,305	-7.4
Itinerant	34,980	38,497	- 3,517	-9.1
Local	34,775	36,799	- 2,024	-5.5
Totals	<u>199,068</u>	<u>214,914</u>	<u>-15,846</u>	<u>-7.4</u>
Number of passengers, as reported by air carriers:				
On and off	2,791,937	2,401,538	390,399	16.3
Through (no stopovers)	490,507	477,828	12,679	2.6
Totals in and out (1)	<u>3,282,444</u>	<u>2,879,366</u>	<u>403,078</u>	<u>14.0</u>
Air mail, express and freight, in pounds on and off, as reported by various air lines:				
(1)				
Air mail	(2) 34,338,085	33,245,457	1,092,628	3.3
Express	8,822,952	7,195,498	1,627,454	22.6
Freight	<u>66,543,120</u>	<u>49,989,422</u>	<u>16,553,698</u>	<u>33.1</u>
Totals	<u>109,704,157</u>	<u>90,430,377</u>	<u>19,273,780</u>	<u>21.3</u>

## Notes:

- (1) Excludes activities of those non-scheduled air carriers which operate only seasonally or which use the San Francisco Airport only intermittently.
- (2) June 30, 1956 figure includes 8,682,111 pounds of first class mail sent by air.

CITY AND COUNTY OF SAN FRANCISCO

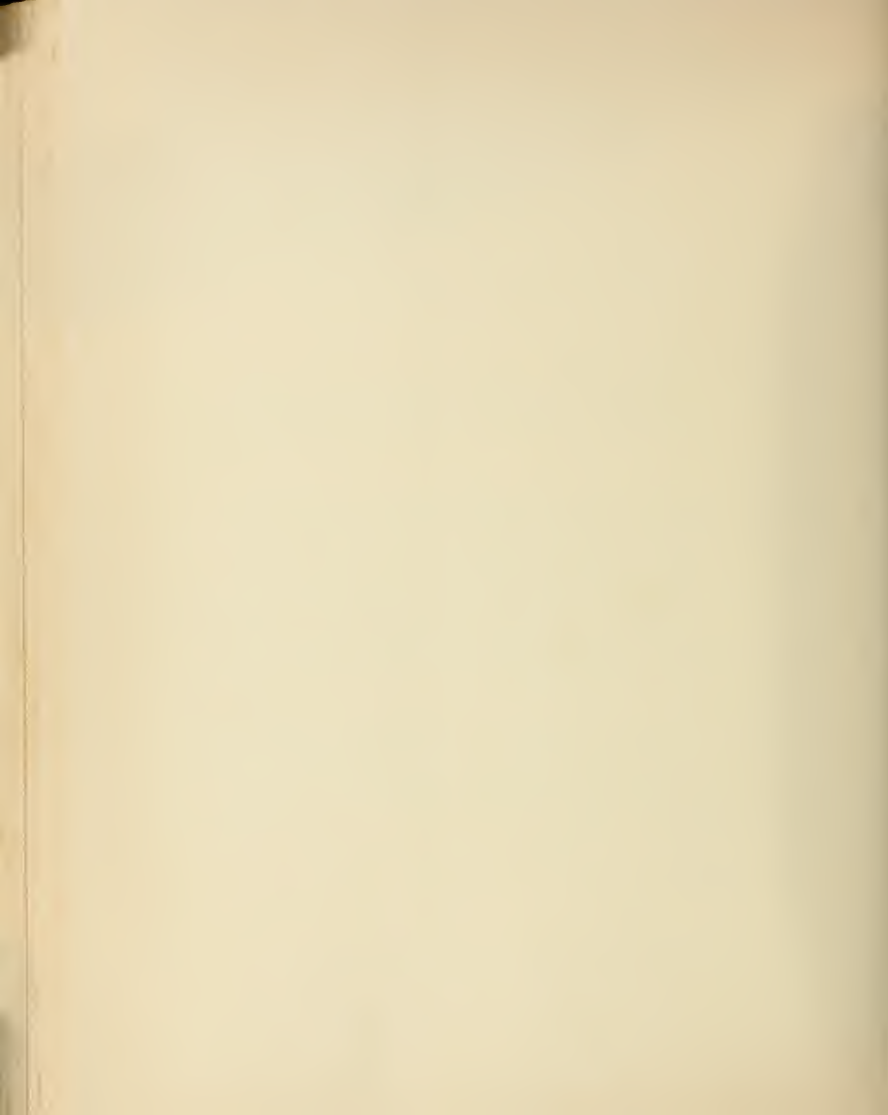
AIRPORT DEPARTMENT

SAN FRANCISCO INTERNATIONAL AIRPORT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1956

- Note 1. Included in accounts receivable of \$319,716.21 are certain disputed sums in the amount of \$47,888.64. This amount plus \$165,471.80 paid by Western Air Lines, Inc. under protest has been fully reserved under the account deferred credits.
- Note 2. The San Francisco International Airport was contingently liable at June 30, 1956, for various alleged personal injuries and property damages evidenced by claims filed with the Controller in the amount of \$340,434.86 including the sum paid under protest by Western Air Lines, Inc., noted above. In addition thereto, American Air Lines, Inc., paid for its use of common use facilities at established rates and charges under protest but at June 30, 1956 had filed no claim with the Controller for repayment. During the fiscal year ended June 30, 1956, there was in force an insurance policy protecting the Airport from personal injury and property damage claims.
- Note 3. The substantial increase in the provision for depreciation during the year ended June 30, 1956 reflects the first annual allowance relating to the International Terminal Building. Consistent with the Airport's depreciation policy, no provision for depreciation was made during the year the building was first devoted to service.



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SF

# Annual Report

of the

## Controller

of the

City and County of San Francisco

For the Fiscal Year Ended June 30, 1957



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# Annual Report

of the

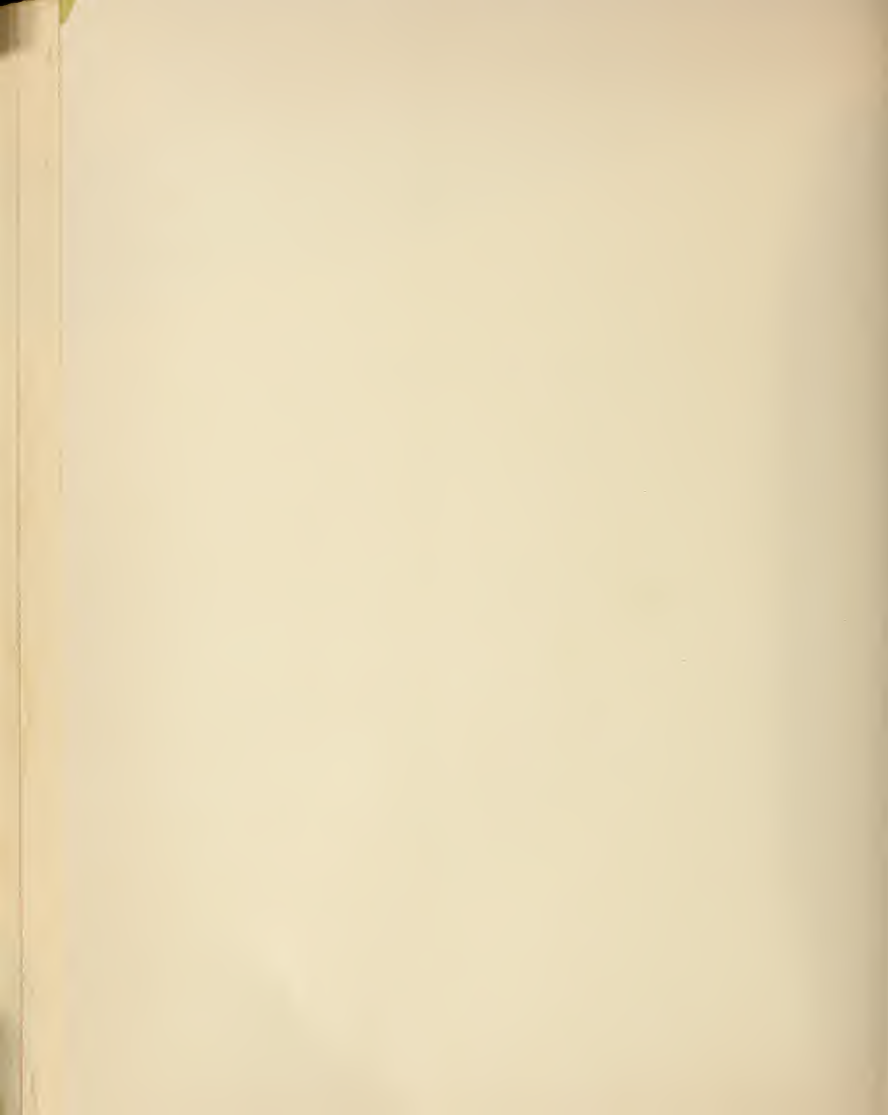
## Controller

of the

City and County of San Francisco

For the Fiscal Year Ended June 30, 1957







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AIRPORT DEPARTMENT  
REPORT ON EXAMINATION OF ACCOUNTS  
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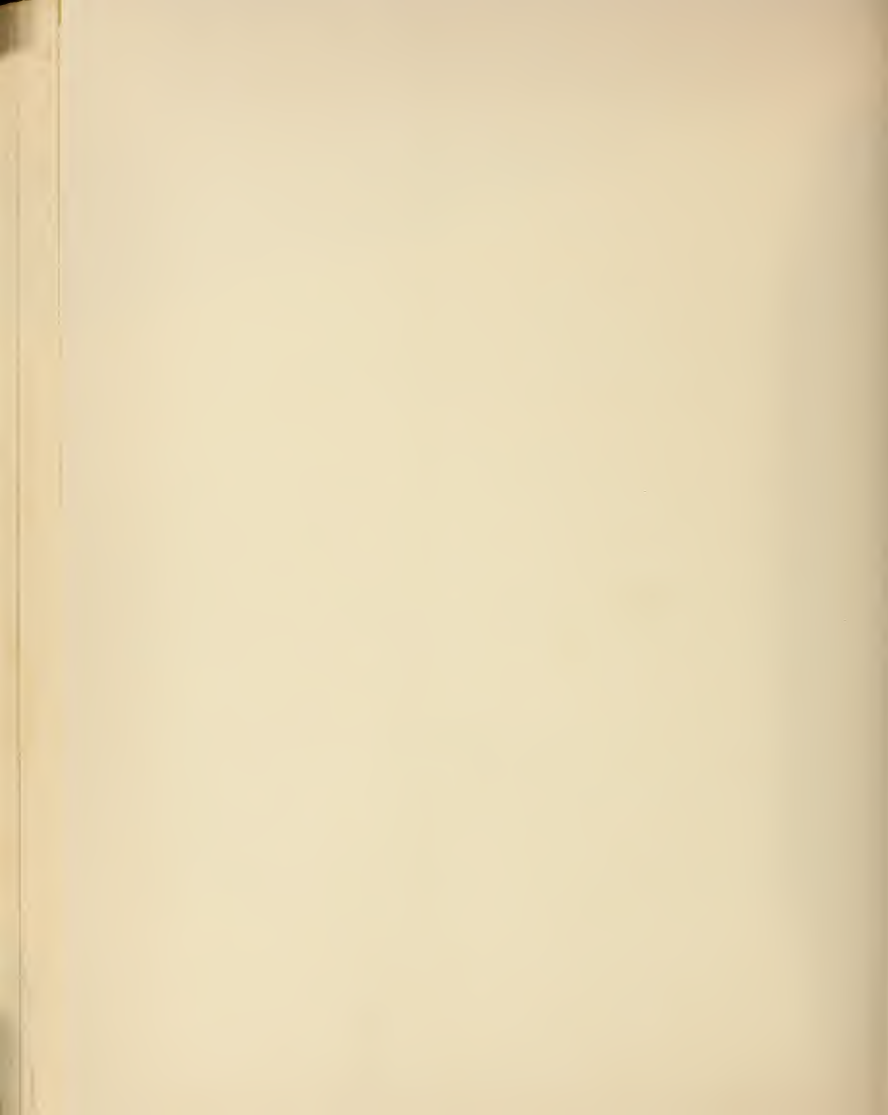
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# CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF  
CONTROLLER

November 1, 1957

To His Honor, the Mayor,  
and the Honorable Board of Supervisors,  
City and County of San Francisco

Gentlemen:

The annual report of the Controller for the fiscal year ended June 30, 1957 is submitted herewith, as provided by section 65 of the Charter.

The accounts of the Controller were audited by F. W. Lafrentz & Co. by direction of the Board of Supervisors, in accordance with provisions of section 68 of the Charter.

By direction of the Controller, the following audits reported herein were performed by the accounting firms indicated:

San Francisco Water Department, Hetch Hetchy Water Supply and Power Project, by John F. Forbes & Co.

Municipal Railway, by Haskins & Sells.

San Francisco School Department, by Benjamin H. Hicklin.

Employees Retirement System, by Farquhar & Heimbucher.

As prescribed by section 66 of the Charter, audits of the various departments of the City and County were made by the Controller's Audit Staffs. Included herein are the following:

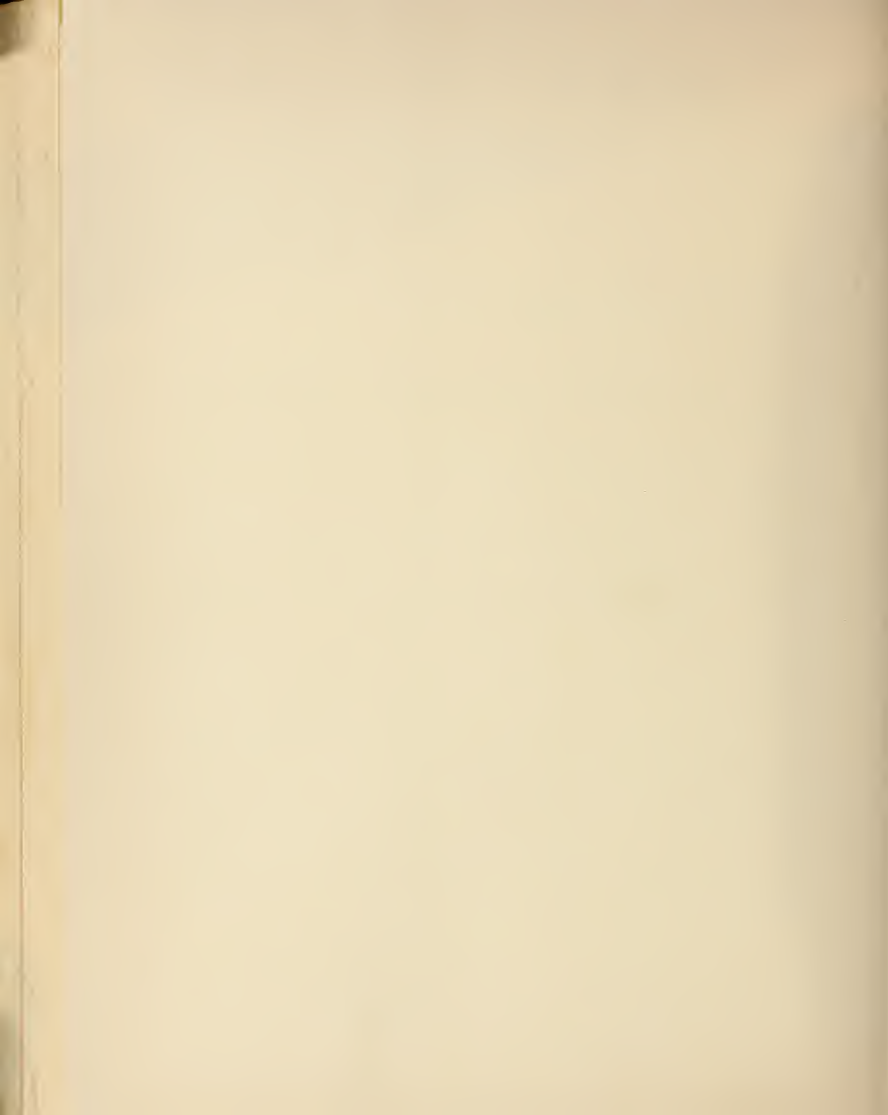
Office of the Treasurer, by Controller's General Audit Staff.

San Francisco Airport, by Controller's Utilities Audit Staff.

Statistical schedules and charts were prepared by the Controller's Division of Accounts and Reports.

Very truly yours,

  
HARRY D. ROSS  
CONTROLLER







# CONTROLLER

Centralized financial planning,  
control and management, accounting  
auditing and systems.

## CHIEF ASSISTANT CONTROLLER

### GENERAL AUDITS

Monthly audit of Treasurer's Office.  
Periodical audit of Departments  
Special Investigations.

### UTILITY AUDITS

Audit-System Design & Installation  
Office, Bu. Lu. H. Per., Municipal Ry.  
Water Dept., Hatch Hatchy Water  
Supply, Hatch Hatchy Power Operative  
Authority, All Fed. Aid Projects

### SECRETARIAL STAFF

Correspondence and Reports, Shop  
Notifies, Assignments, Surety Bonds,  
Oaths of Office, Insurance, Personnel  
Claims Register, Ordinance and  
Resolutions, File Control, including  
all city contracts

### ACCOUNTS-STATISTICS

Proprietary Ledger-Property Ledger  
Expense Ledger - Bond Interest and  
Redemption audit and control -  
Fund Ledger - General Journal -  
Payroll Ledger - General Ledger  
Extension and audit of Tax Rolls

### BUDGET CONTROL

Audit and Analysis of budget  
estimates and operating budget.  
Preparation of Budget Statistics,  
Comparison of Budget with Actual  
Revenues, Annual Appropri. Ordinance

### PAYROLL DIVISION

Audit and preparation of all Inveralls,  
payroll and salary and pension warrants,  
and all authorized deductions.  
Maintain accounting controls over all  
payrolls and all authorized deductions;  
preparation of Aid rolls and warrants.

### LEGAL DIVISION

Construction  
Interpretation of Law  
Proposed Legislation

### GENERAL OFFICE

REVENUES  
ENCUMBRANCES  
DISBURSEMENTS

#### REVENUES

Revenue Research and Statistics  
Approval of deposits with Treasurer  
Revenue and Disbursement  
Sanitary Control of fee  
receipts, badges and other  
numbered revenue forms.  
Audit of licenses and fees  
Collection of payments  
Cash position  
Trust Accounts

#### ENCUMBRANCES

Audit, Recodation and  
Certification of:  
Orders  
Contracts  
Orders for Work (inter-dept)  
Work Orders  
Service Orders  
Purchase Orders  
Judgments  
Claims

#### GENERAL DISBURSEMENTS

##### AUDIT

Authority  
Specifications  
Prices  
Extensions  
Itemized  
Merited  
received  
reports

##### VOUCHER WARRANTS

Typing,  
numbering  
signing  
mailing

#### PAYROLL RELEASE

Process and release of  
warrants to departments  
and banks, Inveralls  
(Contr. office) Distrib-  
ution of Inveralls  
maintain file for judgment,  
power of attorney, "Hold-"  
ing

#### SOCIAL SERVICE

AUDIT OF  
AID CLAIMS  
Needy Blind  
Needy Pension  
Feeble Minded  
State Schools  
Child Welfare  
Narcotics  
Maintenance  
of Minors

#### APPROPRIATION LEDGER

Revenues  
Appropriation  
Allotments  
Encumbrances  
Disbursements

#### WARRANT REGISTER

Verification of Paid Warrants  
Reconciliation of  
Outstanding Warrants



## STATEMENT OF REVENUES

FISCAL YEAR ENDED JUNE 30

\* *Notes & Deduction*

**CITY AND COUNTY OF SAN FRANCISCO**  
**STATEMENT OF EXPENDITURES**  
 Fiscal Years 1947-48 to 1956-57

FISCAL YEAR ENDED JUNE 30

	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957
<b>Departmental Expenditures:</b>										
General Government .....	\$ 6,925,959.92	\$ 7,585,988.85	\$ 7,828,393	\$ 7,789,286	\$ 8,767,034	\$ 8,539,705	\$ 9,385,669	\$ 9,900,585	\$ 10,250,985	\$ 10,787,773
Public Safety .....	12,839,310.39	14,393,249.89	15,228,793	15,888,907	17,509,966	17,788,784	20,804,800	22,004,766	22,057,205	24,483,491
Highways .....	1,709,206.37	1,922,531.04	2,046,428	2,163,287	2,367,737	2,722,831	3,028,109	3,287,857	3,450,138	3,569,748
Sanitation and Waste Removal .....	1,999,911.11	2,118,572.33	2,141,219	2,147,014	2,569,934	2,957,088	3,269,346	3,324,461	3,486,355	3,683,729
Conservation of Health .....	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Housing .....	5,825,183.39	6,316,117.81	6,601,352	6,636,358	7,170,459	7,727,313	8,139,225	8,139,225	8,139,225	8,139,225
Public Welfare .....	11,707,740.52	8,595,960.80	10,882,610	20,859,900	20,821,665	22,233,625	22,027,819	22,450,499	23,470,816	24,472,876
Correction .....	979,876.16	1,008,140.47	1,018,600	1,080,704	1,251,296	1,801,926	1,965,756	2,106,164	2,184,814	2,278,679
Schools .....	19,136,886.47	21,219,221.03	23,016,066	24,390,045	26,798,540	29,341,754	31,363,509	32,027,730	33,965,430	37,832,750
Liquor .....	695,706.78	772,215.21	802,652	825,926	923,544	935,314	1,045,452	1,105,315	1,168,106	1,303,988
Recreation .....	4,737,851.59	5,276,653.38	5,296,062	4,753,800	4,932,813	5,075,479	5,419,246	5,580,062	5,824,208	6,132,717
<b>Total Departmental Expenditures .....</b>	<b>68,103,337.83</b>	<b>71,102,986.83</b>	<b>76,950,480</b>	<b>88,518,467</b>	<b>95,677,549</b>	<b>101,337,839</b>	<b>108,170,972</b>	<b>112,340,950</b>	<b>116,634,732</b>	<b>125,893,231</b>
Bond Redemptions .....	3,015,000.00	4,189,000.00	4,639,000	5,098,000	5,383,000	5,540,000	5,654,000	6,094,000	6,888,000	7,407,000
Bond Interest .....	959,252.78	1,077,821.78	1,298,730	1,335,016	1,367,580	1,447,005	1,618,812	1,594,498	1,669,775	1,835,093
Pensions and Compensation .....	7,519,059.77	8,985,240.80	10,516,145	10,918,929	11,890,452	12,541,720	13,527,239	13,761,938	15,325,584	17,142,220
Judicial .....	57,147.97	56,543.48	37,177	79,589	21,749	213,370	125,789	209,033	175,068	190,333
Support of Public Service .....										
Enterprises:										
Airports .....	1,504,236.56	2,632,670.00	2,966,290	2,996,780	1,712,594	1,604,442	1,465,459	1,890,856	795,774	1,323,029
Municipal Railway .....		2,461,249.14		1,062,032	2,384,117	9,000*		2,932,848	3,098,178	3,495,329
Light, Heat and Power .....										
Public Utilities Commission .....										
Capital Additions, From Revenues .....	1,022,824.77	28,679	28,679	213,740	65,136	1,812	139,379	145,615	210,319	188,436
Civilian Defense .....	2,966,764.38	4,103,630.48	5,034,158	7,297,901	3,621,951	3,447,108	5,777,715	5,237,613	5,500,062	5,494,473
Assessments, Other Civil .....	22,893.96			106,165	303,405	218,896	201,273	186,730	185,934	230,611
Divisions .....	181,598.36	170,342.08	171,825	190,383	169,133	99,000	99,000	336,113	132,000	132,000
Miscellaneous, net .....	733,506.34	1,817,305.93	1,40,910*	274,018	8	761,785	1,049,231*	820,044*	48,261*	952,541*
<b>Total Expenditures .....</b>	<b>\$ 85,083,098.95</b>	<b>\$96,919,615.29</b>	<b>\$101,501,574</b>	<b>\$118,090,320</b>	<b>\$122,586,674</b>	<b>\$127,203,977</b>	<b>\$135,730,407</b>	<b>\$144,510,750</b>	<b>\$150,567,165</b>	<b>\$162,379,214</b>

\*Denotes Credit

CITY AND COUNTY OF SAN FRANCISCO  
WATER DEPARTMENT

STATEMENT OF OPERATIONS

Fiscal Years 1947-48 to 1956-57

FISCAL YEAR ENDED JUNE 30

	1946	1949	1950	1951	1952	1953 (a)	1954 (a)	1955 (a)	1956 (a)	1957 (a)
Water Sales.....	\$10,614,577.04	\$10,932,354.55	\$10,151,099.50	\$10,798,833.90	\$11,351,399.94	\$11,804,318	\$12,133,574	\$12,683,906	\$13,048,334	\$13,262,561
Operating Expenses:										
Provision for Depreciation...	891,767.46	889,337.61	906,404.87	940,078.04	948,787.58	970,779	1,077,970	1,178,805	1,190,549	1,130,856
Other Operating Expenses...	6,795,039.29	7,333,010.93	6,431,285.62	6,372,332.92	6,512,562.53	6,910,530	7,315,650	8,109,677	8,119,086	8,359,446
	7,686,806.75	8,222,348.54	7,337,690.49	7,312,410.96	7,461,350.11	7,881,309	8,393,620	9,288,482	9,309,635	9,490,302
Profit from Operations.....	2,927,770.29	2,710,006.01	2,813,409.01	3,486,422.94	3,890,049.83	3,923,009	3,739,954	3,395,424	3,738,699	3,772,350
Other Income .....	179,915.15	245,593.36	201,651.22	237,246.98	313,604.11	382,030	923,093	578,909	379,623	408,728
	3,107,685.44	2,955,599.37	3,015,060.23	3,723,669.92	4,203,653.94	4,305,039	4,663,047	3,974,333	4,118,322	4,181,187
Other Expenses:										
Interest on Bonded Debt .....	1,179,265.34	1,111,743.33	1,052,577.44	984,957.50	928,586.17	986,083	914,115	875,664	838,325	795,001
Other .....	40,027.25	50,879.92	44,439.43	44,874.53	65,148.01	72,538	60,058	63,724	71,061	97,281
	1,219,292.59	1,162,623.25	1,097,016.87	1,029,832.03	993,734.18	1,058,621	974,173	939,388	909,386	892,282
Net Income .....	\$ 1,888,394.85	\$ 1,792,976.12	\$ 1,918,043.36	\$ 2,693,837.89	\$ 3,200,919.76	\$ 3,246,418	\$ 3,688,874	\$ 3,104,941	\$ 3,208,994	\$ 3,370,902

(a) Cents Omitted

CITY AND COUNTY OF SAN FRANCISCO  
HETCH HETCHY WATER SUPPLY AND POWER PROJECT  
STATEMENT OF OPERATIONS  
Fiscal Years 1947-48 to 1956-57

FISCAL YEAR ENDED JUNE 30

	1948	1949	1950	1951	1952	1953 (a)	1954 (a)	1955 (a)	1956 (a)	1957 (a)
Power Sales .....	\$3,392,272.27	\$3,390,905.66	\$3,322,439.95	\$3,439,372.12	\$4,009,143.65	\$4,617,981	\$4,289,746	\$4,526,289	\$4,517,503	\$4,804,325
Standby Charge and Sale of Water to the S. F. Water Dept .....	3,533,700.00	3,780,804.29	3,588,504.63	3,575,046.00	3,445,350.00	3,545,590	3,545,590	4,030,000	4,030,000	4,030,000
Operating Expenses:	6,925,972.27	7,171,709.95	6,910,944.58	7,014,418.12	7,454,393.65	8,163,571	7,835,336	8,556,289	8,547,503	8,834,325
Provision for Depreciation .....	1,514,979.47	1,509,904.71	1,507,862.87	1,696,960.13	1,697,308.11	1,710,305	1,811,945	1,825,007	1,794,028	1,914,026
Other Operating Expenses .....	1,869,609.69	1,761,431.01	1,886,543.66	1,824,901.18	2,421,267.67	2,900,321	2,783,817	3,226,122	3,170,478	3,645,177
	3,384,589.16	3,271,335.72	3,394,406.53	3,521,861.31	4,118,575.78	4,610,626	4,595,762	5,051,129	4,964,506	5,559,203
Profit from Operations .....	3,541,383.11	3,900,374.23	3,516,538.05	3,492,556.81	3,335,817.87	3,552,945	3,239,574	3,505,160	3,582,997	3,275,122
Other Income .....	22,833.35	23,435.68	29,455.94	29,175.91	69,512.59	65,315	56,767	41,715	40,255	109,527
	3,564,216.46	3,923,809.91	3,545,993.99	3,521,732.72	3,405,330.46	3,618,260	3,296,341	3,546,875	3,623,252	3,384,649
Other Expenses:										
Interest on Bonded Debt .....	2,131,660.21	2,029,342.71	1,927,557.47	1,962,307.62	1,849,954.77	1,787,239	1,706,321	1,572,251	1,451,714	1,380,333
Other .....					2,248.68	2,354		16,490		
	2,131,660.21	2,029,342.71	1,927,557.47	1,962,307.62	1,852,203.45	1,789,593	1,706,321	1,588,741	1,451,714	1,380,333
Net Income .....	\$1,432,556.25	\$1,894,467.20	\$1,618,436.52	\$1,559,425.10	\$1,553,127.01	\$1,828,667	\$1,590,020	\$1,958,134	\$2,171,538	\$2,004,316

\*Debtless Loans.  
(a) Costs Omitted.

CITY AND COUNTY OF SAN FRANCISCO  
MUNICIPAL RAILWAY

STATEMENT OF OPERATIONS

Fiscal Years 1947-48 to 1956-57

FISCAL YEAR ENDED JUNE 30

	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957
Revenues .....	\$18,321,581.91	\$18,592,096.33	\$18,575,307.83	\$18,028,977.29	\$18,242,353.37	\$23,491,980.98	\$22,137,625.17	\$21,087,543.29	\$20,456,021.15	\$20,242,262.43
Operating Expenses .....	1,087,841.45	1,450,311.34	1,833,451.30	1,710,397.02	1,774,354.44	1,878,593.34	1,814,263.97	1,732,383.04	1,399,251.32	1,041,796.34
Depreciation .....	18,539,561.76	19,938,286.27	18,844,625.83	17,827,490.01	19,264,096.72	20,972,773.54	20,867,915.18	20,265,321.91	20,559,117.37	20,931,375.55
Other Operating Expenses .....	19,627,403.21	20,848,597.61	20,678,077.13	19,537,887.03	21,038,451.16	22,850,966.88	22,682,179.15	22,018,204.95	21,958,366.74	21,973,173.89
Profit from Operations .....	1,305,821.30*	2,256,501.28*	2,102,769.30*	1,508,909.74*	2,796,097.79*	641,014.10	544,553.98*	930,561.66*	1,502,347.59*	1,730,911.46*
Other Income .....	10,519.31	13,064.57	287,177.18	359,890.20	24,243.33	154,071.82	24,498.31	56,617.87	92,562.84	95,299.57
Net Income .....	1,295,301.99*	2,243,436.71*	1,815,592.12*	1,149,019.54*	2,771,854.46*	795,085.92	520,055.67*	874,043.79*	1,409,784.75*	1,635,611.89*
Other Expenses .....	64,725.99	.....	.....	.....	.....	.....	.....	.....	.....	.....
Interest on Market Street Railway purchases .....	30,727.50	107,194.79	259,419.92	284,605.13	287,001.45	295,796.52	271,215.08	249,193.47	227,698.57	200,922.05
Interest on Bonded Debt .....	202,926.02	137,716.09	.....	96,784.97	58,471.67	1,320.47	91,202.15	29,340.93	17,711.64	93,758.35
Other .....	298,379.51	244,910.38	259,419.92	381,390.10	345,473.12	297,116.99	362,417.23	279,014.40	245,410.21	294,281.60
Net Income .....	\$ 1,593,681.30*	\$ 2,488,347.59*	\$ 2,075,012.04*	\$ 1,530,409.64*	\$ 3,117,327.58*	\$ 497,868.93	\$ 882,472.90*	\$ 1,131,307.10*	\$ 1,655,194.96*	\$ 1,929,892.49*

\*Denver Loan.

CITY AND COUNTY OF SAN FRANCISCO  
AIRPORT

STATEMENT OF OPERATIONS  
Fiscal Years 1947-48 to 1956-57

FISCAL YEAR ENDED JUNE 30

	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957
Revenues:										
Landing Charges	\$118,658.26	\$ 130,101.09	\$ 155,233.76	\$ 213,317.28	\$ 293,517.92	\$ 340,008.82	\$ 422,577.78	\$ 444,124.65	\$ 480,489.69	\$ 524,316.77
Rentals	143,041.93	98,308.75	118,759.03	135,241.60	157,800.59	181,356.96	212,851.71	657,339.69	853,288.87	900,322.81
Other	101,127.58	195,573.44	246,869.66	298,727.32	380,556.80	469,125.99	528,949.11	1,028,036.66	1,251,440.88	1,497,332.18
	362,827.77	423,983.28	520,862.45	647,286.20	831,875.31	990,491.77	1,164,378.60	2,129,501.00	2,585,219.44	2,930,971.76
Operating Expenses:										
Depreciation	434,958.82	638,043.10	648,646.19	823,339.87	832,193.45	811,347.59	718,388.20	730,489.68	1,029,908.17	1,034,550.22
Other Operating Expenses	388,833.69	506,176.63	571,061.36	583,435.30	584,750.31	634,630.55	703,119.80	1,162,997.86	1,401,178.89	1,576,111.88
	823,792.51	1,144,219.73	1,219,707.55	1,406,775.17	1,416,943.76	1,445,978.14	1,421,508.00	1,893,487.54	2,431,087.06	2,610,662.10
Profit from Operations:	460,964.74*	720,736.45*	698,845.10*	759,488.97*	585,068.45*	455,486.37*	257,129.40*	236,013.46	154,132.38	320,309.66
Other Income	25,907.75	30,185.17	25,353.19	33,725.10	31,936.16	29,440.08	59,591.74	102,875.46	114,560.28	153,133.22
	435,056.99*	690,051.28*	673,491.91*	725,763.87*	553,132.29*	426,046.29*	197,537.66*	338,888.92	268,692.66	473,442.88
Interest on Bonded Debt:	29,303.68	106,390.54	87,584.53	120,900.41	134,091.68	116,542.44	99,108.12	138,586.88	168,796.86	138,540.00
Other Expenses			2,481.22	2,481.22	15,151.13	(20,253.67)	185,139.94	89,037.72	89,173.95	57,896.23
	29,303.68	106,390.54	87,584.53	123,381.63	149,242.81	96,288.77	284,248.06	227,624.60	257,970.81	196,436.23
Net Income	\$164,360.67*	\$ 796,441.82*	\$ 761,076.44*	\$ 849,145.50*	\$ 702,375.10*	\$ 522,335.06*	\$ 481,785.72*	\$ 111,264.32	\$ 10,721.85/	\$ 277,006.65

\*A notes Loss



**CITY AND COUNTY OF SAN FRANCISCO**  
**ADDITIONS TO PROPERTIES**  
**FOR THE 10 YEAR PERIOD JULY 1, 1947 to JUNE 30, 1957**

Increases or Decreases

Balances - June 30, 1957

	Total	Land	Buildings Structures & Improvements	Equipment	Total	Land	Buildings Structures & Improvements	Equipment
<b>GENERAL GOVERNMENT</b>								
<b>PUBLIC ASSESSMENT, Incl. City Hall</b>	\$ 820,139.63	\$ 131,132.83*	\$ 199,388.73	\$ 1,055,183.73	\$ 10,008,392.75	\$ 1,798,521.80	\$ 4,313,586.60	\$ 3,896,282.35
Fire Department	5,015,158.82	264,373.17	4,511,939.93	1,038,965.12	18,981,187.48	866,187.48	13,310,403.50	4,800,773.10
Police Department	1,970,154.37	572,237.06	217,089.65	1,151,127.66	5,694,877.44	1,313,017.16	2,713,268.23	2,138,559.05
Department of Electricity	98,983.64		16,229.95	82,753.69	976,581.91	141,000.00	710,183.35	192,399.56
<b>HIGHWAYS</b>								
Street, Tunnel, Bridges, Etc.	40,905,671.15	4,632,672.92	35,103,646.39	381,298.31	105,710,098.31	13,299,238.64	91,898,756.63	121,013.68
Grading and Construction	2,559,391.92	57,076.22	57,076.22	2,559,391.92	2,559,391.92	2,172,315.00	897,231.37	171,732.57
<b>SANITATION</b>								
Sewers & Sewer Disposal Plants	36,805,968.73	702,614.38	35,897,686.35	285,138.00	61,701,216.76	1,758,879.38	59,560,091.44	165,215.94
Street Cleaning Department	350,719.78			350,719.78	780,312.60	15,000.00	65,112.60	780,312.60
<b>HEALTH DEPARTMENT</b>								
Hansen Health Home	113,309.18		15,558.61	67,750.87	1,361,698.28	29,112.02	1,159,308.20	179,912.08
Civil Center Health Bldg.	231,179.19	112.50*	735.79	233,713.40	1,112,903.78	150,013.19	908,711.20	316,166.09
Excelsior Health Center	59,123.40*	131,256.15*	71,579.38	3,553.37	85,003.52	14,135.55	65,868.00	130,130.19
Other					25,702.22	7,103.05	85,548.18	
<b>HOSPITALS</b>								
San Francisco Hospital	2,016,213.59	19,630.00*	1,520,782.09	515,051.50	6,559,658.30	671,926.97	6,160,367.22	1,121,364.11
Emergency Hospital	68,396.79			68,396.79	331,994.59	10,999.70	82,969.15	238,025.71
<b>PUBLIC WELFARE</b>								
Laguna Honda Home	2,581,069.11	1,937.85*	2,320,663.95	268,313.13	7,415,723.17	35,052.35	6,765,218.06	895,413.76
Francisco Welfare Department	126,587.78		22,765.73	977,806.05	1,617,664.16	137,500.00	195,263.73	111,900.71
<b>CONNECTIONS</b>								
County Jail	31,105.11		22,855.05	8,550.09	890,769.17	18,156.52	823,110.06	29,502.59
Juvenile Detention Home-Old	59,163.21		31,816.50	24,314.71	368,115.40	10,310.00	265,111.60	192,693.70
Youth Guidance Center	4,357,617.16	50,100.00	4,211,231.92	96,357.24	14,251,428.82	26,015.71	13,960,397.40	36,101.71
Juvenile Log Cabin Ranch	135,071.11		134,550.14	26,523.77	592,001.03	25,110.09	227,190.08	39,101.96
<b>SCHOOLS</b>								
	57,004,731.19	3,812,679.55	17,321,906.26	5,840,113.66	110,212,898.08	11,156,285.36	85,851,556.01	10,726,156.71
<b>LIBRARIES</b>								
	787,989.07	27,661.29	612,751.13	117,571.25	4,280,210.57	136,121.19	1,810,221.06	1,493,892.32
<b>RECREATION</b>								
Playgrounds & Swimming Pools	10,251,905.15	626,640.67	9,262,811.98	362,112.60	11,716,002.00	3,518,819.18	10,617,370.71	570,611.18
Museums, Art Galleries, Etc.	705,717.31		586,767.31	116,950.03	2,111,316.18		1,739,737.59	371,609.35
Marine & Opera House	16,523.92		9,335.71	7,188.21	2,423,571.85	163,187.20	1,765,468.57	786,671.18
Parks & Squares	2,636,626.01	36,073.37	2,499,579.91	39,000.97	20,851,002.62	701,437.00	1,631,630.77	100,601.18
Exhibit Hall	109,120.01		105,117.69	27,993.10	1,133,659.55		109,420.81	109,420.81
Gold Links	1,004,689.76	715,205.18	259,184.28	1,662,800.66	715,205.18		1,117,595.18	222,613.18
Foster Stadium	1,022,162.86	359,128.11	682,731.75	1,194,111	1,312,373.07	523,271.28	780,620.31	8,101.11
<b>OTHER</b>								
Retail Warehouse & Corporation Yard	1,151.11			20,679.11	15,595.00		15,595.00	1,151.11
Retirement System	1,151.11			715,009.03	715,009.03		223,395.56	410,713.11
Miscellaneous	653,378.26	102,611.23*	211,319.11	311,673.88	4,007,990,306.31	441,481,058.70	\$111,643,776.78	\$10,582,400.10
<b>Total</b>	673,360,379.13	83,762,613.22	616,608,616.13	112,989,119.78	\$107,990,306.31	\$41,481,058.70	\$111,643,776.78	\$10,582,400.10

CITY AND COUNTY OF SAN FRANCISCO  
ADDITIONS TO PROPERTIES - BY SOURCE OF FUNDS  
FOR THE 10 YEAR PERIOD JULY 1, 1947 TO JUNE 30, 1957

SOURCE OF FUNDS:	Total	Land	Buildings Structures & Improvements	Equipment
<b>Current Funds</b>				
General Fund	\$ 12,461,472.94	\$ 408,235.16	\$ 6,812,104.20	\$ 5,621,133.58
Recreation - Park	3,398,298.78	1,099,906.11	1,820,221.79	378,170.88
Library	516,096.25	24,049.94	404,815.49	87,460.77
Municipal	185,564.00	1,000.00	184,564.00	0.00
California Palace of the Legion of Honor	176,184.00		151,182.69	23,011.31
Calfoam; Memorial Museum	695,270.09		115,353.37	79,916.72
Publicity and Advertising	300.00			300.00
Special Gas Tax Street Improvement	10,922,578.43	3,312,131.61	7,608,069.87	
Special Gas Tax Street Improvement	1,000,000.00	340,400.31	659,600.00	
San Francisco Unified School District	9,479,500.53	2,039,478.53	3,650,878.53	213,205.26
Special Accumulative Building Fund - Schools	187,598.43	128,103.21	59,495.22	3,685,206.29
Child Care Centers	39,970.33			39,970.33
	48,114,024.55	8,032,854.07	29,740,129.48	10,371,041.00
<b>Capital Funds</b>				
Real Property - General City	1,477,675.68*			
Real Property - S. F. U. S. D.	31,930.00	1,181,490.50*	296,185.18*	313,854.07
1927 Municipal	1,314,000.00	423,837.16	331,681.46*	3,852.94
1931 Parks & Squares Bonds	2,159.58	4,996.84*	2,159.58	
1933 Sewer Bonds	13,792.33	30.00	13,762.33	
1938 Hospital Bonds	4,354.55		4,354.55	
1942 Fire Protection Bonds	366,948.25		18,621,094.18	
1944-48 Jewelle Home & Court Bonds	16,520,930.78		1,194,981.01	
1947 Street Improvement Bonds	16,530,680.88	625,838.97	16,215,264.69	57,949.77
1947 Recreation Bonds	11,111,910.74	312,239.84	9,812,359.90	3,316.35
1947 Off-Street Parking Bonds	2,400,150.97	1,051,008.95	57,076.92	238,541.89
1948 Off-Street Parking Bonds	1,000,000.00	2,437,000.05	13,570,792.74	1,974,972.05
1948 School Bonds	66,804,925.19	951,283.37	43,938,669.97	10,815.48
1952 Firehouse Bonds	3,565,247.18	197,637.74	3,372,571.83	57.61
1954 Laguna Honda Home Bonds	1,899,276.91		1,888,996.69	10,280.22
1954 Sewer Bonds	1,754,493.90	1,4075.54	1,755,361.00	57.36
1954 Hospital Bonds	1,000,000.00	800.00	1,000,000.00	12,651.67
1954 Exhibit Hall Bonds	317,606.82		171,686.48	
1955 Playgrounds & Recreation Centers Bonds	347,361.20		346,561.20	
1956 Hall of Justice Bonds	795,928.76	750,497.06	44,827.10	604.60
1956 School Bonds	750.00			
	122,779,173.31	5,462,171.54	114,532,047.40	2,616,954.37
<b>Trust Funds:</b>				
State Highway	2,409,027.16	74,587.61	2,336,439.55	1,154.51
Interment System	15,000.00			
Sluggard Sewer Donation	15,000.00			
	2,425,101.57	87,587.61	2,336,439.55	1,154.11
<b>Total Additions</b>	\$173,360,379.43	\$13,762,613.22	\$146,668,616.43	\$12,589,119.78

\* Denotes Decrease



CITY AND COUNTY OF SAN FRANCISCO  
ASSESSMENT ROLLS

Fiscal Years 1947-48 to 1957-58

Fiscal Year	Roll	Assessed By	Land	Improvements	Tangible Personal Property	Veterans' Welfare and Other Exemptions	Total Assessed Value Subject to City & Co. Ad Valorem		Solvent Credits Taxed @ 10¢ per \$100	Total Roll
							Rate			
1947-48	Unsecured - City and County Assessor.....				150,379,489	4,464,748	145,914,741	5.55	328,391,141	474,305,882
	Secured - City and County Assessor.....	304,975,992	403,718,630	4,811,461	34,899,392	678,066,691	5.62	7,769,526	696,376,217	
	Secured - State Board of Equalization.....	11,441,450	43,692,360	33,962,940		89,096,750	5.62	32,033,180	121,129,930	
	Total.....	\$316,417,442	\$447,410,990	\$189,153,890	\$39,364,140	\$ 913,618,182		\$368,193,847	\$1,281,812,029	
1948-49	Unsecured - City and County Assessor.....				176,254,123	2,170,550	174,083,573	5.62	388,793,008	562,876,581
	Secured - City and County Assessor.....	333,507,884	426,062,240	7,052,890	37,269,790	729,353,224	6.09	8,097,591	737,450,815	
	Secured - State Board of Equalization.....	11,566,170	49,385,230	35,695,010		96,646,410	6.09	33,209,320	129,855,730	
	Total.....	\$345,074,054	\$475,447,470	\$219,002,023	\$39,440,340	\$1,000,083,207		\$430,099,919	\$1,430,183,126	
1949-50	Unsecured - City and County Assessor.....				187,081,075	2,368,931	184,712,144	6.09	413,302,218	598,014,362
	Secured - City and County Assessor.....	338,327,522	447,097,465	7,996,786	39,773,711	753,648,062	5.66	10,463,329	784,111,391	
	Secured - State Board of Equalization.....	11,634,050	60,688,540	40,147,520		112,470,110	5.66	34,463,430	146,933,540	
	Total.....	\$349,961,572	\$507,786,005	\$235,225,381	\$42,142,642	\$1,050,830,316		\$458,228,977	\$1,509,059,293	
1950-51	Unsecured - City and County Assessor.....				174,987,355	2,460,275	172,527,080	5.66	446,938,945	619,486,025
	Secured - City and County Assessor.....	338,486,080	468,437,890	10,373,612	42,988,325	774,309,257	6.29	7,389,121	781,698,378	
	Secured - State Board of Equalization.....	11,594,320	64,845,380	38,418,540		114,858,240	6.29	41,805,700	156,663,940	
	Total.....	\$350,080,400	\$533,283,270	\$223,779,507	\$45,448,600	\$1,061,694,577		\$496,153,766	\$1,557,848,343	
1951-52	Unsecured - City and County Assessor.....				199,089,454	2,242,564	196,846,890	6.29	541,279,205	738,126,095
	Secured - City and County Assessor.....	340,439,080	492,967,440	13,490,816	46,503,530	800,393,806	6.19	9,174,744	809,565,550	
	Secured - State Board of Equalization.....	15,762,340	66,620,930	41,853,110		124,236,380	6.19	58,641,660	182,878,040	
	Total.....	\$356,201,420	\$559,588,370	\$254,433,380	\$48,746,094	\$1,121,477,076		\$609,095,609	\$1,730,572,685	
1952-53	Unsecured - City and County Assessor.....				220,812,645	2,086,937	218,725,708	6.19	571,045,856	789,771,564
	Secured - City and County Assessor.....	348,640,965	530,802,235	12,794,831	44,981,574	847,466,457	5.67	8,388,619	835,855,076	
	Secured - State Board of Equalization.....	16,714,810	67,703,770	44,590,910		129,009,490	5.67	50,655,040	179,664,500	
	Total.....	\$365,375,775	\$598,696,005	\$278,198,386	\$47,068,511	\$1,195,201,655		\$630,089,515	\$1,825,291,170	
1953-54	Unsecured - City and County Assessor.....				232,302,098	2,014,395	230,287,703	5.67	598,586,730	828,874,433
	Secured - City and County Assessor.....	350,820,577	548,705,058	8,114,636	49,911,533	857,728,738	6.27	5,772,285	863,501,023	
	Secured - State Board of Equalization.....	16,799,640	68,685,230	47,872,160		133,357,030	6.27	59,152,340	192,509,370	
	Total.....	\$367,620,217	\$617,390,288	\$288,288,894	\$51,925,928	\$1,221,373,471		\$663,511,355	\$1,884,884,826	
1954-55	Unsecured - City and County Assessor.....				233,165,805	2,385,376	230,780,429	6.27	658,769,128	889,540,557
	Secured - City and County Assessor.....	351,797,115	562,069,670	9,133,322	53,999,964	869,400,143	6.85	11,636,238	881,036,381	
	Secured - State Board of Equalization.....	16,750,680	72,376,320	49,673,340		138,900,340	6.85	53,227,520	194,027,860	
	Total.....	\$368,547,795	\$634,445,990	\$291,972,467	\$55,985,340	\$1,238,980,912		\$725,632,886	\$1,964,611,798	
1955-56	Unsecured - City and County Assessor.....				235,577,520	2,253,342	233,324,187	6.85	715,234,484	948,608,671
	Secured - City and County Assessor.....	353,884,456	582,010,805	9,090,434	54,527,921	909,459,774	7.02	7,918,999	938,378,771	
	Secured - State Board of Equalization.....	16,950,330	74,539,330	48,923,710		140,413,370	7.02	58,884,680	199,298,250	
	Total.....	\$370,834,986	\$656,552,135	\$293,991,673	\$56,781,263	\$1,264,197,531		\$792,088,163	\$2,048,285,894	
1956-57	Unsecured - City and County Assessor.....				251,560,750	2,791,079	248,769,671	7.02	796,294,793	1,045,054,464
	Secured - City and County Assessor.....	353,996,820	606,234,380	8,902,349	57,862,613	911,270,936	7.06	8,651,591	919,922,527	
	Secured - State Board of Equalization.....	18,011,480	77,302,980	50,165,830		143,480,290	7.06	54,914,560	200,394,850	
	Total.....	\$372,008,300	\$663,537,360	\$310,628,929	\$60,653,692	\$1,305,320,897		\$859,860,944	\$2,165,381,841	
1957-58	Unsecured - City and County Assessor.....				263,114,805	3,362,157	259,552,648	7.06	835,652,023	1,098,204,671
	Secured - City and County Assessor.....	356,153,315	622,670,687	10,275,298	59,422,666	929,678,634	7.37	9,241,993	938,920,671	
	Secured - State Board of Equalization.....	19,902,920	79,799,130	50,925,980		150,629,030	7.37	79,460,210	209,099,140	
	Total.....	\$376,058,235	\$702,469,817	\$324,316,083	\$62,984,823	\$1,339,859,312		\$927,496,316	\$2,267,335,623	

CITY AND COUNTY OF SAN FRANCISCO  
DETAIL OF TAX RATES

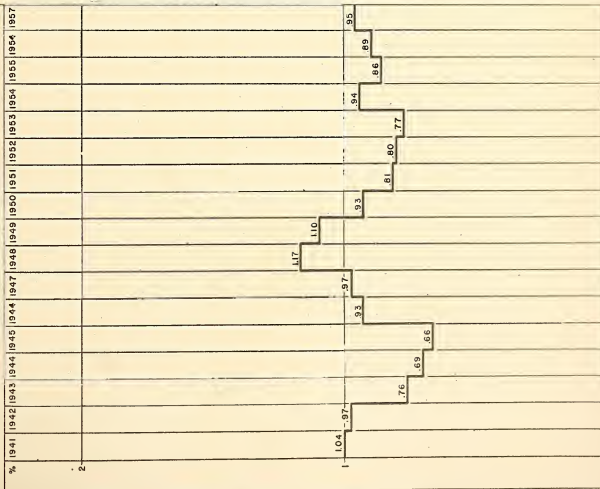
Fiscal Years 1948-49 to 1957-58

	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58
General Fund - Charter Limit \$1.65, ...	1,126,318	1,261,335	1,288,331	1,181,879	1,100,226	1,127,311	1,026,134	976,736	1,118,449	1,241,634
General Fund - Other Necessary Expenditures Not Limited	1,415,456	1,320,391	1,481,594	1,446,522	1,351,770	1,738,365	2,111,081	2,202,325	2,197,722	2,202,347
Unified School District	1,451,139	1,299,661	1,562,837	1,702,265	1,608,200	1,682,564	1,569,888	1,754,236	1,972,106	2,043,149
Recreation	1,394,333	1,264,223	.....	.....	.....	.....	.....	.....	.....	.....
Park	272,223	203,699	.....	.....	.....	.....	.....	.....	.....	.....
Recreation and Park	.....	333,286	308,948	300,006	333,419	308,652	342,745	386,349	380,491	380,491
Library	.....	.....	103,886	108,342	108,458	108,696	99,397	103,168	101,886	110,176
Employees' Retirement	.....	.....	728,602	768,251	772,707	774,782	868,473	858,667	942,984	993,125
Bond Interest and Redemption	.....	.....	257,541	225,908	165,542	184,849	309,244	287,207	202,057	278,257
de Young Museum	.....	.....	104,135	102,059	102,520	103,508	102,888	102,587	103,189	102,192
California Palace of the Legion of Honor	.....	.....	101,548	101,712	101,688	101,802	101,856	101,771	101,821	101,806
War Memorial	.....	.....	102,101	101,655	101,747	101,758	101,860	101,850	102,174	102,137
Publicity and Advertising	.....	.....	102,608	102,442	102,763	102,529	102,227	102,099	102,028	101,763
Tax Judgments	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Child Care Centers	.....	.....	.....	100,818	101,473	101,609	100,877	101,446	101,599	101,905
Special Election Fund	.....	.....	100,100	100,267	.....	.....	.....	.....	.....	.....
Bay Area Air Pollution Control Dist.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Lighting Public Streets and Buildings	.....	.....	103,213	109,688	109,579	106,698	103,809	109,317	104,257	107,945
Airport	.....	.....	190,286	118,155	137,666	116,020	161,256	100,926	100,429	.....
Municipal Railway	.....	.....	119,469	170,008	.....	.....	206,237	254,298	109,352	126,883
P. U. C. Purchase of California St. Cable R. Co.	.....	.....	101,687	.....	.....	.....	.....	.....	.....	.....
Contribution to Purchase Buena Vista Forest	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total Levy	6.09	5.66	6.29	6.19	5.67	6.27	6.85	7.02	7.06	7.37

CITY AND COUNTY OF SAN FRANCISCO  
AMOUNTS OF TAX LEVIES AND DELINQUENCIES  
Fiscal Years 1931-32 to 1956-57

PERCENTAGES OF TAX DELINQUENCY

FOR FISCAL YEARS ENDING



Fiscal Year	Amount of Levy	Uncollected at June 30, Amount	%	Uncollected at June 30, Amount	%
1931-32	\$32,714,463	\$ 718,830	2.20	\$16,217	.05
1932-33	31,752,726	1,706,581	5.37	229,007	.72
1933-34	26,583,270	1,316,809	4.95	160,284	.60
1934-35	28,808,183	958,096	3.33	25,794	.09
1935-36	30,634,662	612,784	2.00	23,621	.08
1936-37	30,986,643	449,704	1.45	19,602	.06
1937-38	31,994,075	483,081	1.50	29,906	.09
1938-39	33,337,812	442,132	1.32	18,465	.06
1939-40	32,575,922	390,407	1.19	27,354	.08
1940-41	35,162,785	367,339	1.04	41,946	.12
1941-42	36,469,225	354,994	.97	66,321	.18
1942-43	37,469,083	288,158	.76	60,635	.16
1943-44	36,797,771	254,508	.69	48,479	.13
1944-45	39,647,406	262,652	.66	32,953	.08
1945-46	41,184,389	380,975	.93	37,290	.09
1946-47	47,374,328	457,779	.97	48,591	.10
1947-48	51,718,354	602,680	1.17	90,589	.18
1948-49	60,779,270	669,631	1.10	103,636	.17
1949-50	60,858,563	567,617	.93	86,414	.14
1950-51	66,522,057	537,393	.81	73,997	.11
1951-52	70,596,215	561,703	.80	104,549	.15
1952-53	69,947,162	539,325	.77	107,206	.15
1953-54	76,082,542	716,632	.94	147,955	.19
1954-55	84,509,028	724,612	.86	207,877	.25
1955-56	89,391,123	799,165	.89	360,207	.40
1956-57	93,280,375	862,671	.95	882,671	.95

H. D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO  
TAX YIELD  
FISCAL YEAR 1957 - 58

	<u>Valuation</u>	<u>Tax Yield</u>	<u>Rate Per \$100</u>
Taxes on Property Assessed by City & County			
Real Estate, Improvements, and			
Secured Personal Property:			
Real Estate and Improvements	\$978,826,002		
Tangible Personal Property	10,275,298		
Less Veterans' and Welfare Exemptions	<u>59,422,666</u>		
	929,678,634	\$ 68,517,426.44	7.37
Solvent Credits	<u>9,241,983</u>	<u>9,239.53</u>	.10
Total	<u>938,920,617</u>	<u>68,526,665.97</u>	
Unsecured Personal Property (Collected):			
Tangible Personal Property	120,613,162		
Less Veterans' and Welfare Exemptions	<u>3,189,846</u>		
	117,423,316	8,290,173.46	7.06
Solvent Credits	<u>560,847,794</u>	<u>560,855.25</u>	.10
Total	<u>678,271,110</u>	<u>8,851,028.71</u>	
Unsecured Personal Property (Uncollected):			
Tangible Personal Property	142,501,643		
Less Veterans' and Welfare Exemptions	<u>372,311</u>		
	142,129,332	10,034,343.72	7.06
Solvent Credits	<u>277,804,229</u>	<u>277,807.43</u>	.10
Total	<u>419,933,561</u>	<u>10,312,151.15</u>	
Total Assessed by City and County Assessor	<u>2,037,125,288</u>	<u>87,689,845.83</u>	
Taxes on Property Assessed by State Board of Equalization:			
Real Estate and Improvements	99,702,050		
Tangible Personal Property	50,925,980	11,101,285.86	7.37
Solvent Credits	<u>79,602,310</u>	<u>79,602.31</u>	.10
Total Assessed by State Board of Equalization	<u>230,230,340</u>	<u>11,180,888.17</u>	
Total of above Assessments	<u>2,267,355,628</u>		
Total Tax Yield		98,870,734.00	
Reassessments		<u>580.32</u>	7.06
TOTAL TAX YIELD		<u>\$98,871,314.32</u>	

CITY AND COUNTY OF SAN FRANCISCO  
STATEMENT OF BONDING CAPACITY  
at JUNE 30, 1957

Maximum Limit:

12% of 1957-58 Assessment Roll (\$2,267,355,628)	\$272,082,675
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Bond Debt Not Matured June 30, 1957

Total	\$184,331,000	
Exempt From 12% Limit (a)	<u>57,598,000</u>	<u>126,733,000</u>

Limit of Future Bond Sales (Subject to 12% Limit)	<u>\$145,349,675</u>
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Unissued (Unsold) Bonds, June 30, 1957:

	<u>Subject to 12% Limit</u>	<u>Exempt From 12% Limit</u>	<u>Total</u>
1947 Street Improvement	\$2,900,000		
1947 Off-Street Parking	2,000,000		
1948 Sewage Treatment	450,000		
1952 Firehouse	550,000		
1954 Sewers	10,145,000		
1954 Recreation Centers	5,000,000		
1954 San Francisco Hospital	4,330,000		
1954 Laguna Honda Home & Hospital	475,000		
1955 Playgrounds & Recreation Centers	7,000,000		
1955 Hetch Hetchy Power	44,000,000		
1956 Hall of Justice	18,000,000		
1956 Schools	27,000,000		
1956 Airport	<u>25,000,000</u>		
	<u>\$146,850,000</u>	<u>-0-</u>	<u>\$146,850,000</u>

(a) Section 104 of the Charter provides that the bonded debt shall not exceed 12% of the assessed value of all real and personal property in the City and County subject to the City and County taxes, exclusive of bonds issued for the following purposes:

For water supply, storage, or distribution purposes.

For financing public improvements, the cost of which is to be assessed against private property benefited thereby. (None issued)

ANNUAL BOND INTEREST AND REDEMPTION REQUIREMENTS  
BASED UPON BONDED INDEBTEDNESS AT JUNE 30, 1957

General City, Including  
S. F. Unified School District

Public Service Enterprises

Fiscal Year	Grand Total	Total	Bond Redemption	Bond Interest	Total	Bond Redemption	Bond Interest
1957-58	\$ 21,754,553.75	\$ 10,522,098.75	\$ 8,492,000	\$ 2,030,098.75	\$ 11,232,455.00	\$ 8,564,000	\$ 2,668,455.00
1958-59	21,895,360.00	10,461,462.50	8,671,000	1,810,462.50	11,011,217.50	8,584,000	2,430,217.50
1959-60	21,826,483.75	10,373,036.25	8,776,000	1,597,036.25	10,653,447.50	8,464,000	2,189,447.50
1960-61	19,808,893.75	10,294,686.25	8,886,000	1,408,686.25	9,514,207.50	7,564,000	1,950,207.50
1961-62	19,194,786.25	10,202,298.75	9,051,000	1,231,298.75	8,912,487.50	7,180,000	1,732,487.50
1962-63	19,527,563.75	10,206,553.75	9,150,000	1,056,553.75	9,321,010.00	7,804,000	1,517,010.00
1963-64	18,489,362.50	9,835,047.50	8,957,000	878,047.50	8,654,315.00	7,371,000	1,283,315.00
1964-65	16,741,275.00	9,268,650.00	8,562,000	706,650.00	7,472,625.00	6,406,000	1,066,625.00
1965-66	14,345,348.75	8,983,272.50	8,431,000	552,272.50	5,362,076.25	4,468,000	894,076.25
1966-67	9,644,193.75	5,260,762.50	4,870,000	390,762.50	4,380,431.25	3,625,000	755,431.25
1967-68	9,101,536.25	4,852,850.00	4,570,000	282,850.00	4,246,686.25	3,625,000	623,686.25
1968-69	7,056,385.00	3,527,562.50	3,330,000	197,562.50	3,528,822.50	3,035,000	493,822.50
1969-70	5,825,777.50	2,774,487.50	2,645,000	129,487.50	3,054,590.00	2,675,000	376,590.00
1970-71	4,936,570.00	2,090,337.50	2,020,000	70,337.50	2,846,232.50	2,575,000	273,232.50
1971-72	2,600,000.00	927,625.00	905,000	22,625.00	1,672,375.00	1,475,000	197,375.00
1972-73	748,500.00				748,500.00	600,000	148,500.00
1973-74	721,500.00				721,500.00	600,000	121,500.00
1974-75	694,500.00				694,500.00	600,000	94,500.00
1975-76	667,500.00				667,500.00	600,000	67,500.00
1976-77	640,500.00				640,500.00	600,000	40,500.00
1977-78	613,500.00				613,500.00	600,000	13,500.00

\$215,633,110.00 \$109,680,131.25 \$97,316,000 \$12,364,131.25 \$105,952,978.75 \$87,015,000 \$18,937,978.75

Unsold bonds at June 30, 1957 in the amount of \$146,850,000.00 are not included



## CITY AND COUNTY OF SAN FRANCISCO

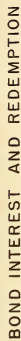
	AVERAGE	NET	INTEREST	COST
1	100	100	100	100
2	100	100	100	100
3	100	100	100	100
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5	100	100	100	100
6	100	100	100	100
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77	100	100	100	100
78	100	100	100	100
79	100	100	100	100
80	100			

ON BONDS AND	TAX ANTICIPATION NOTES
SOLD DURING	FISCAL YEARS ENDING
1970	1970
1971	1971
1972	1972
1973	1973
1974	1974
1975	1975
1976	1976
1977	1977
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2100	2100

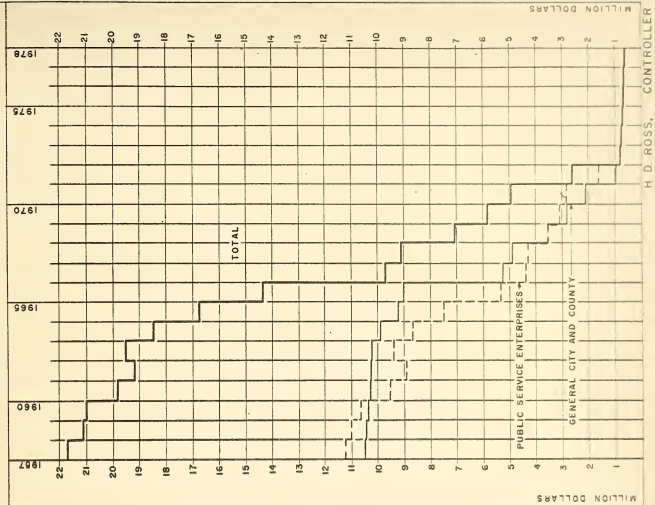
[illegible]

A — No Bonds Sold  
B — No Tax Anticipo

H. D. ROSS, CONTROLLER



REQUIREMENTS FOR FISCAL YEARS ENDING



H. D. ROSS,

CITY AND COUNTY OF SAN FRANCISCO  
BOND INTEREST AND REDEMPTION  
FUNDING STATEMENT

Fiscal Years 1948-49 to 1957-58

FISCAL YEAR ENDED JUNE 30

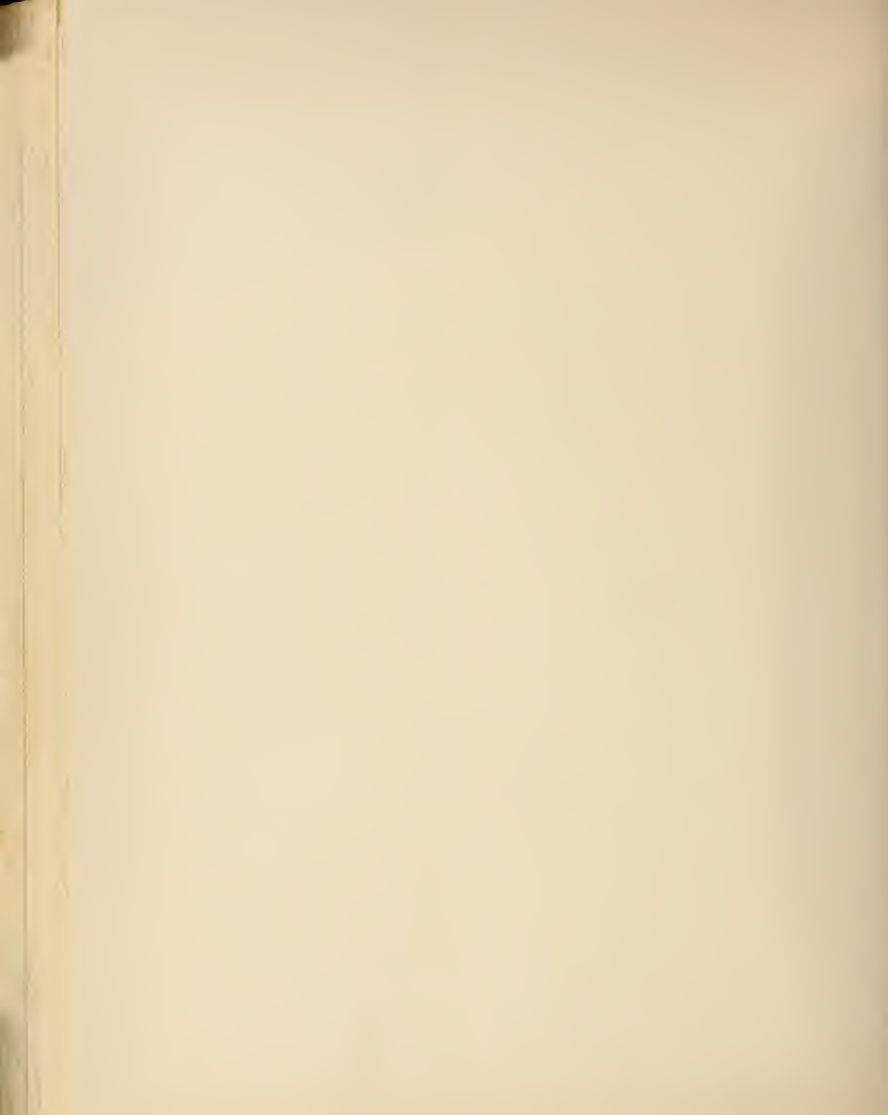
	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958
SOURCE OF REVENUES:										
General City Issues:										
Taxes .....	\$ 3,596,089	\$ 2,650,025	\$ 2,690,858	\$ 2,595,777	\$ 2,120,382	\$ 2,215,536	\$ 3,544,397	\$ 3,682,287	\$ 931,400	\$ 898,700
Capital Improvement Fund .....	1,719,797	3,228,497	3,996,069	4,591,367	5,017,833	5,052,863	4,912,189	5,056,962	8,396,295	9,633,261
Surplus .....	.....	136,932	.....	.....	.....	.....	.....	.....	.....	.....
	5,315,886	6,015,454	6,686,927	7,187,144	7,138,215	7,268,399	8,456,586	8,739,249	9,327,695	10,531,961
Public Service Enterprises:										
Utility Earnings:										
Water Department .....	6,250,831	6,520,270	6,607,787	6,466,282	6,522,665	6,441,567	6,884,397	6,880,615	6,743,649	6,683,871
Hetch Hetchy Project .....	1,367,307	1,161,340	1,273,059	1,391,671	1,371,771	1,361,727	875,594	705,299	610,130	1,011,915
Municipal Railway .....	868,771	1,231,888	315,722	.....	1,849,107	1,861,459	.....	.....	.....	.....
Airport .....	.....	.....	124,584	366,099	437,912	663,500	433,830	1,502,010	1,196,938	1,946,788
Capital Improvement Fund (via Utility)	2,358,085	1,166,765	968,202	620,151	.....	.....	.....	.....	2,992,167	1,826,756
Taxes (via Utility) .....	289,855	1,665,360	3,105,818	2,827,350	1,602,725	1,466,892	3,753,012	2,634,376	145,442	.....
	11,134,849	11,745,123	12,395,172	11,671,553	11,784,180	11,795,145	11,946,833	11,722,300	11,688,327	11,469,330
Total Budgeted Requirements ....	\$16,450,735	\$17,760,577	\$19,082,099	\$18,858,697	\$18,922,395	\$19,063,544	\$20,403,419	\$20,461,549	\$21,016,022	\$22,001,291



# Office of the Controller



REPORT ON EXAMINATION  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 1957



## RESIDENT PARTNERS

HAROLD A. KELLOGG, C.P.A.

ROBERT H. PERRY, C.P.A.

LEONARD M. TICE, C.P.A.

ALFRED W. GALLAGHER, C.P.A.

## F. W. LAFRENTZ &amp; Co.

CERTIFIED PUBLIC ACCOUNTANTS

525 MARKET STREET - SAN FRANCISCO 5

NEW YORK  
 ATLANTA    LOS ANGELES  
 BALTIMORE    NEW ORLEANS  
 BOSTON    OAKLAND  
 CHICAGO    RICHMOND  
 CLEVELAND    SAN FRANCISCO  
 DALLAS    SEATTLE  
           WASHINGTON  
 CORRESPONDENTS IN  
 FOREIGN COUNTRIES

November 29, 1957

The Honorable Board of Supervisors  
 City and County of San Francisco  
 San Francisco, California

Gentlemen:

In accordance with your resolution No. 17,901 (Series of 1939), we have made an examination, to the extent outlined in this report, of the financial statements relating to the Office of the Controller of the City and County of San Francisco for the year ended June 30, 1957. The financial statements, attached hereto, are as follows:

## Exhibit

- A Combined proprietary balance sheet, June 30, 1957
- B Proprietary balance sheet, Public Service Enterprises,  
June 30, 1957
- C Statement of revenues, expenditures and current surplus,  
General City, June 30, 1957
- D Statement of revenues, expenses and surplus, Public Service  
Enterprises, June 30, 1957
- E Statement of capital surplus, General City, June 30, 1957
- F Summary of fixed assets, June 30, 1957
- G Statement of bonded indebtedness, June 30, 1957
- Individual fund balance sheets, June 30, 1957:
  - H Summary
  - I Current funds
  - J Capital
  - K Retirement and other public trust funds
  - L Private trust funds
  - M Assessment and redemption funds
  - M Agency funds
  - N Public Service Enterprises
  - O Reconciliation of proprietary balance sheet with funds  
balance sheet, June 30, 1957

### SCOPE OF EXAMINATION

Proprietary accounts for the Public Service Enterprises are not maintained in the office of the Controller, but are maintained in the offices of the several enterprises. Examination of these accounts are made by other auditors as follows:

By other independent public accountants:  
Municipal Railway of San Francisco  
San Francisco Water Department and Hetch Hetchy Project

By the Controller's Utilities Audit Division:  
Public Utilities Commission  
San Francisco Airport

Our examination of the financial statements relating to the Office of the Controller was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records maintained in the Office of the Controller and such other auditing procedures as we considered necessary in the circumstances; we did not extend our tests to records of other offices. However, in the preparation of this report, we have necessarily incorporated data from reports prepared in connection with examinations made as at June 30, 1957, by other auditors as follows:

By other independent accountants:  
San Francisco Unified School District (a separate political entity)

By the Controller's General Audit Division:  
Cash, securities and accounts of the Treasurer's Office

We have also included certain data with respect to the City and County of San Francisco Employees' Retirement System. The accounts of the Employees' Retirement System are being examined by other independent accountants and at the date of this report, the examination had not been completed.

### OPINION

In our opinion, based on the scope of examination previously described, the accompanying statements, together with the notes thereto, present fairly the position

at June 30, 1957, and the results of operations for the year then ended of the City and County of San Francisco and the San Francisco Unified School District, in conformity with generally accepted principles of accounting.

Yours very truly,

F. W. Lafrentz & Co.

AND

## SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## COMBINED PROPRIETARY BALANCE SHEET, JUNE 30, 1957

A S S E T S	Total	Public Service Enterprises	Total	General City and County.....		
				Current Funds	Capital Funds	Trust and Assessment Funds
<b>Fixed Capital:</b>						
Properties (Exhibit F)	\$740,896,262	\$333,805,995	\$407,090,307		\$407,090,307	
Less reserve for depreciation	103,933,149	103,933,149				
	<u>\$636,963,113</u>	<u>\$229,872,846</u>	<u>\$407,090,307</u>		<u>\$407,090,307</u>	
<b>Cash:</b>						
On deposit with Treasurer	\$101,214,888	\$26,342,034	\$74,872,854	\$43,412,256	\$20,800,840	\$10,659,798
Cash in transit	2,240,894	32,1172	2,268,722			2,208,722
Imprest funds	103,850	52,600	51,250	51,200		
	<u>\$103,559,652</u>	<u>\$26,426,596</u>	<u>\$77,132,176</u>	<u>\$43,463,456</u>	<u>\$20,800,840</u>	<u>\$12,868,460</u>
<b>Accounts Receivable:</b>						
Taxes receivable, current year	\$882,672		\$882,672	\$882,672		
Taxes receivable, prior years	2,190,163		2,190,163			
Penalties, costs and interest	83,168		83,168			
Franchise taxes	89,170		89,170			
Federal and state subventions	3,067,895		3,067,895	3,067,895		
Other accounts receivable	2,664,895	\$1,873,384	6,091,511	1,557,517		\$1,533,994
	<u>\$15,267,103</u>	<u>\$1,873,384</u>	<u>\$13,393,724</u>	<u>\$11,659,170</u>		<u>\$1,533,994</u>
<b>Less reserves for:</b>						
Unsecured delinquent taxes and penalties	\$2,297,145		\$2,297,145	\$2,297,145		
Other accounts receivable	1,933,726	82,340	1,907,346	1,907,346		
	<u>\$4,230,871</u>	<u>\$82,340</u>	<u>\$4,204,491</u>	<u>\$4,204,491</u>		
	<u>\$10,940,237</u>	<u>\$1,791,004</u>	<u>\$9,149,233</u>	<u>\$7,655,239</u>		<u>\$1,533,994</u>
<b>Federal Aid for Public Improvements:</b>						
Grants receivable (estimated in part)	\$583,738	83,525	500,213	\$500,213		
Less reserve for grants receivable (estimated)	500,213		500,213			
	<u>\$83,525</u>	<u>\$83,525</u>	<u>-0-</u>	<u>-0-</u>		
<b>Investments:</b>						
Securities	\$193,456,213		\$193,456,213			\$193,456,213
Other	55,990		55,990			55,990
	<u>\$193,512,203</u>		<u>\$193,512,203</u>			<u>\$193,512,203</u>
<b>Lease Guarantee and Other Deposits</b>	\$128,475		\$128,475			\$128,475
<b>Interfund Accounts (Contra)</b>	\$4,712,431	\$1,033,154	\$3,679,277	\$1,923,160	\$11,500	\$1,744,617
<b>Deferred Charges:</b>						
Materials and supplies	2,382,459	\$1,279,697	\$1,103,362	\$1,103,362		\$8,991,655
Other deferred charges	26,402,677	7,457,454	18,945,478	\$8,951,181		\$9,991,655
	<u>\$28,785,136</u>	<u>\$8,717,151</u>	<u>\$20,067,985</u>	<u>\$10,054,543</u>		<u>\$9,991,655</u>
<b>Total</b>	<u>\$978,724,972</u>	<u>\$267,943,863</u>	<u>\$710,781,109</u>	<u>\$63,099,038</u>	<u>\$437,894,302</u>	<u>\$209,787,769</u>

## CITY AND COUNTY OF SAN FRANCISCO

AND

## SAN FRANCISCO UNIFIED SCHOOL DISTRICT

COMBINED PROPRIETARY BALANCE SHEET, JUNE 30, 1957

L I A B I L I T I E S	.....General City and County.....				Trust and Assessment Funds
	Total	Public Service Enterprises	Total	Current Funds	Capital Funds
Bonded Debt:					
Unmatured (Exhibit G)	\$184,331,000	\$87,015,000	\$97,316,000	\$200,000	\$97,116,000
Matured and unpaid	49,200	24,200	25,000	25,000	
	<u>\$184,330,200</u>	<u>\$87,039,200</u>	<u>\$97,341,000</u>	<u>\$225,000</u>	<u>\$97,116,000</u>
Bond Interest:					
Accrued, not due	\$1,794,367	\$1,136,411	\$679,956	\$697,956	
Matured and unpaid	55,219	46,368	8,851	8,851	
	<u>\$1,849,586</u>	<u>\$1,182,779</u>	<u>\$666,837</u>	<u>\$666,837</u>	
Accounts payable:					
Accounts and contracts payable	\$32,199,763	\$8,115,019	\$24,084,744	\$13,387,325	\$9,263,564
Outstanding warrants and payroll deductions	5,763,736	601,633	5,162,103	3,270,877	686,489
Other accruals, deposits and advances	401,276	401,276	29,246,847	\$16,668,202	9,920,053
	<u>\$38,364,775</u>	<u>\$9,117,928</u>	<u>\$29,246,847</u>	<u>\$16,668,202</u>	<u>\$9,920,053</u>
Interfund Accounts (Contra)	\$4,712,431	\$1,229,522	\$3,412,902	\$1,084,128	\$1,362,899
	<u>\$5,559,142</u>	<u>\$700,085</u>	<u>\$5,559,142</u>	<u>\$5,559,142</u>	<u>\$1,433,855</u>
Deferred Credits:					
Personal property taxes for year 1957-58	2,218,604		1,537,979	1,537,979	1,234,737
Other deferred credits	<u>\$7,797,206</u>	<u>\$700,095</u>	<u>\$7,097,121</u>	<u>\$7,097,121</u>	<u>\$2,668,592</u>
Reserves:					
Reserve for accidents	\$2,619,417	\$2,619,417	\$161,003	\$32,528	\$128,473
Other reserves	1,068,516	965,333	103,183	32,728	120,473
	<u>\$3,719,753</u>	<u>\$3,224,720</u>	<u>\$264,186</u>	<u>\$65,256</u>	<u>\$248,946</u>
Trust and Assessment Fund Balances	\$206,924,827		\$206,924,827		\$206,924,827
Surplus:					
Public Service Enterprises	\$165,049,592	\$165,049,592	\$36,435,222	\$36,435,222	
General City - current	364,351,222				
General City - capital (not available for meeting General City current expenses)	329,495,350		329,495,350	\$36,435,222	\$329,455,350
	<u>\$828,896,164</u>	<u>\$165,049,592</u>	<u>\$694,845,902</u>	<u>\$72,900,472</u>	<u>\$665,345,350</u>
Total	\$978,724,972	\$269,943,863	\$718,781,109	\$63,059,038	\$437,834,302

The accompanying notes to financial statements are an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO  
PUBLIC SERVICE ENTERPRISES

PROPRIETARY BALANCE SHEET, JUNE 30, 1957

A S S E T S

Fixed Capital:

In service  
Not in service  
Less reserve for depreciation

Under construction

Cash:

On deposit with Treasurer  
Cash in transit  
Imprest funds

Accounts Receivable:

Revenues accrued and other receivables  
Less reserve for other receivables

Federal Aid for Public Improvement:

Grants receivable

Interfund Accounts:

Due from General City  
Due from Public Services Enterprises (contra)

Deferred Charges:

Materials and supplies  
Other deferred charges

Total

	Total	Water Department	Municipal Railway	Hetch Hetchy Project	San Francisco Airport	Public Utilities Commission
Fixed Capital:						
In service	\$328,918,988	\$101,737,384	\$38,431,105	\$134,346,577	\$50,505,896	\$31,898,026
Not in service	913,187	854,496		58,691		
Less reserve for depreciation	(103,933,149)	(74,603,388)	(22,987,095)	(37,468,651)	(8,914,003)	
	\$225,899,026	\$67,988,482	\$15,484,010	\$96,936,615	\$41,591,893	\$31,898,026
Under construction	3,973,780	2,859,738	280,139	740,013	93,150	700
	\$229,872,806	\$70,848,220	\$15,764,149	\$97,676,628	\$41,685,043	\$31,898,726
Cash:						
On deposit with Treasurer	\$26,342,034	\$6,659,792	\$4,648,295	\$13,659,707	\$975,780	\$398,460
Cash in transit	32,172		26,689	4,960		
Imprest funds	52,650	30,000	13,000	4,600	21,500	1,150
	\$26,426,856	\$6,689,792	\$4,690,104	\$13,668,667	\$978,683	\$399,610
Accounts Receivable:						
Revenues accrued and other receivables	\$1,873,384	\$1,155,366	\$62,636	\$298,074	\$345,670	\$11,638
Less reserve for other receivables	82,380	30,699			40,043	11,638
	\$1,791,004	\$1,124,667	\$62,636	\$298,074	\$305,627	-0-
Federal Aid for Public Improvement:						
Grants receivable	\$83,525				\$83,525	
Interfund Accounts:						
Due from General City	\$64,191		\$8,345	\$3,145	\$347	\$592,354
Due from Public Services Enterprises (contra)	428,963	1,603	2,472	322,759	335	101,724
	\$1,033,154	\$1,603	\$10,817	\$325,904	\$682	\$694,148
Deferred Charges:						
Materials and supplies	\$1,279,097	\$50,713	\$672,164	\$53,666	\$13,773	\$8,841
Other deferred charges	7,457,421	1,366,428	2,483,236	3,387,631	197,591	22,162
	\$8,736,518	\$1,897,141	\$3,155,400	\$3,441,237	\$211,734	\$31,006
Total	\$267,943,863	\$80,561,423	\$23,683,106	\$115,410,510	\$43,265,334	\$45,023,490



## CITY AND COUNTY OF SAN FRANCISCO

## PUBLIC SERVICE ENTERPRISES

## PROPRIETARY BALANCE SHEET, JUNE 30, 1957

## LIABILITIES

	Total	Warrants Issued After June 30, 1957	Water Department	Municipal Railway	Hetch Hetchy Project	San Francisco Airport	Public Utilities Commission
Bonded Debt:							
Accrued, not due	\$ 87,015,000	\$21,974,437	\$10,670,000	\$ 45,633,563	\$ 8,747,000		
Unmatured	24,200	14,000	200	10,000			
Matured and unpaid	\$ 87,039,200	\$21,988,437	\$10,670,200	\$ 45,633,563	\$ 8,747,000		
Bond Interest:							
Accrued, not due	\$ 1,136,411	\$ 315,000	\$ 77,976	\$ 709,230	\$ 34,205		
Matured and unpaid	46,363	8,483	1,452	35,650	500		
	\$ 1,182,772	\$ 323,483	\$ 79,427	\$ 745,120	\$ 34,705		
Accounts Payable:							
Accounts and contracts payable	\$ 8,115,019	\$ 1,135,150	\$ 1,575,755	\$ 1,556,870	\$ 3,634,675	\$ 150,883	\$ 21,676
Outstanding warrants and pay- roll deductions	601,633	(11,334,265)	269,334	1,167,027	33,779	59,745	345,953
Accounts payable to United States Government	37,712			37,712			
Contractors' deposits and construction advances	248,096	184,800			63,296		
Accrued taxes payable	115,468			115,468			
	\$ 9,117,928	\$ (199,115)	\$ 2,029,949	\$ 2,877,077	\$ 3,791,750	\$ 250,628	\$ 367,629
Interfund Accounts:							
Due to General City	\$ 870,566	\$ 199,115	\$ 125,616	\$ 322,677	\$ 46,889	\$ 62,674	\$ 312,710
Due to Public Service Enterprises (contra)	428,963		73,604	74,957	1,736	77,134	2,367
	\$ 1,299,529	\$ 199,115	\$ 199,220	\$ 397,634	\$ 48,625	\$ 139,808	\$ 315,077
Deferred Credits							
Reserves:	\$ 700,005			\$ 12,178		\$ 289,421	\$ 398,466
Reserve for accidents	\$ 2,649,417		\$ 710,545	\$ 2,649,417	\$ 8,895		
Other reserves	905,333			185,933			
	\$ 3,554,750		\$ 710,545	\$ 2,835,350	\$ 8,895		
Surplus (Exhibit D)	\$ 65,049,592	\$ 55,309,789	\$ 6,811,196	\$ 6,811,196	\$ 65,182,517	\$ 33,003,762	\$ 3,942,298
Total	\$ 267,943,863	\$ 20,561,423	\$ 23,683,106	\$ 115,410,510	\$ 43,265,334	\$ 5,023,450	

The accompanying notes to financial statements are an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO

(Exclusive of Public Service Enterprises)

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CURRENT SURPLUS

	.....Year Ended..... June 30, 1957	June 30, 1956
<b>REVENUES:</b>		
Property taxes, penalties, interest and costs	\$ 93,181,568	\$ 89,361,418
State and federal subventions	46,695,346	45,060,043
Departmental service charges, etc.	8,757,344	8,273,907
Retail purchase and use tax	11,305,306	5,603,569
Fines, forfeitures, and penalties other than from property taxes	2,937,851	2,859,703
Franchise taxes	607,282	1,263,085
Licenses	663,530	665,078
Bank interest	699,822	518,865
Rentals from non-operating school property	355,847	356,767
Housing authority in lieu of taxes	129,980	143,779
Other	82,276	88,143
Transfer from capital accounts	429,641	608,416
State of California for restoration of Children's Building	5,000	
<b>Total revenues</b>	<b>\$165,850,793</b>	<b>\$154,807,773</b>
<b>EXPENDITURES:</b>		
Departmental operating expenses (adjusted for inventories and other deferred charges):		
General government	\$ 10,787,773	\$ 10,250,985
Public safety	24,483,491	22,037,205
Highways	3,569,748	3,450,138
Sanitation	3,683,729	3,486,355
Health conservation	3,208,255	2,918,451
Hospitals	8,139,225	7,858,224
Public welfare	24,472,876	23,470,816
Corrections	2,278,679	2,184,814
Schools	37,832,750	33,965,430
Libraries	1,303,988	1,168,106
Recreation	6,132,717	5,824,208
Civil defense	230,611	185,934
Bond interest	1,835,093	1,669,775
Miscellaneous	180,333	162,653
<b>Total departmental operating expenses</b>	<b>\$128,149,268</b>	<b>\$118,653,094</b>
Other expenditures:		
Transfers to capital accounts:		
Capital additions from revenues	5,494,473	5,500,062
Bond redemptions	7,407,000	6,888,000
Others	361,500	10,582
<b>Total, forward</b>	<b>\$141,412,241</b>	<b>\$131,051,738</b>

CITY AND COUNTY OF SAN FRANCISCO

(Exclusive of Public Service Enterprises)

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CURRENT SURPLUS

	.....Year Ended..... <u>June 30, 1957</u>	<u>June 30, 1956</u>
EXPENDITURES (Continued):		
Total, forwarded	\$141,412,241	\$131,051,738
Other expenditures (continued):		
Transfers to trust accounts	130,880	
Assessments, Joint Highway Districts No. 9	132,000	132,000
Contribution, Butano Forest purchase		(100,000)
Contributions to Public Service Enterprises:		
San Francisco International Airport	1,323,029	795,774
Municipal Railway	3,495,329	3,098,178
Public Utilities Commission - heat, light and power bureau	188,436	210,319
Pension costs, Employees' Retirement System	17,142,220	15,325,584
Miscellaneous	<u>(1,444,921)</u>	<u>53,572</u>
Total expenditures	\$162,379,214	\$150,567,165
Net increase in current surplus	\$ <u>3,471,579</u>	\$ <u>4,240,600</u>
CURRENT SURPLUS:		
Current surplus as shown at beginning of year, per Controller's report	\$ 32,612,742	\$ 28,419,317
Add auditor's adjustment, preceding year	<u>350,901</u>	<u>303,718</u>
Current surplus at beginning of fiscal year after auditor's adjustment	\$ 32,963,643	\$ 28,723,035
Net increase in current surplus as shown above	<u>3,471,579</u>	<u>4,240,600</u>
Current surplus, end of fiscal year	\$ <u>36,435,222</u>	\$ <u>32,963,643</u>

The accompanying notes to financial statements are an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO  
PUBLIC SERVICE ENTERPRISES

STATEMENT OF REVENUES, EXPENSES AND SURPLUS

JUNE 30, 1957

REVENUES AND EXPENSES

	Total	Water Department	Municipal Railway	Hotch Utch Project	San Francisco Airport	Public Utilities Commission
Operating Revenues	\$ 46,872,848	\$13,262,961	\$20,242,262	\$ 8,834,325	\$ 2,930,972	\$1,602,328
Operating Expenses	41,235,668	9,490,302	21,973,173	5,559,203	2,610,662	1,602,328
	<u>\$ 5,637,180</u>	<u>\$ 3,772,659</u>	<u>\$11,730,911</u>	<u>\$ 3,275,122</u>	<u>\$ 320,310</u>	<u>\$ -</u>
Operating income or (loss)						
Other Revenues:						
Interest earned	\$ 50,387	\$ 23,154	\$ 27,233			
Rentals	360,462	332,266		\$ 28,176		
Other	355,638	53,087	68,067	81,351	\$ 153,133	
	<u>\$ 766,487</u>	<u>\$ 408,527</u>	<u>\$ 95,300</u>	<u>\$ 109,527</u>	<u>\$ 153,133</u>	
Other Expenses:						
Bond interest	\$ 2,501,826	\$ 782,031	\$ 200,922	\$ 1,380,333	\$ 138,540	
Other	248,499	97,204	93,359		57,596	
	<u>\$ 2,750,325</u>	<u>\$ 879,235</u>	<u>\$ 294,281</u>	<u>\$ 1,380,333</u>	<u>\$ 196,436</u>	
Net income or (loss)	<u>\$ 3,653,382</u>	<u>\$ 3,301,951</u>	<u>\$11,929,892</u>	<u>\$ 2,004,316</u>	<u>\$ 277,007</u>	<u>\$ -</u>
	\$154,551,642	\$60,421,969	\$ 5,245,759	\$54,707,581	\$32,030,738	\$2,145,595
Balance, July 1, 1956	(79,743)					(79,743)
Adjustments, 1955-56						
	\$154,471,899	\$60,421,969	\$ 5,245,759	\$54,707,581	\$32,030,738	\$2,065,852
Net income or (loss) as above	3,653,382	3,301,951	(1,929,892)	2,004,316	277,007	188,436
Contributions from General City	5,006,794		3,495,329		1,323,029	
Contributions from Public Service Enterprises	439,694			439,694		
Contributions from other sources	226,632			63,619	163,013	
Other additions	9,695,316			7,976,670	9,977	1,698,671
	<u>\$173,483,717</u>	<u>\$63,723,920</u>	<u>\$ 6,811,196</u>	<u>\$65,191,880</u>	<u>\$33,803,762</u>	<u>\$1,922,959</u>
Deduct:						
Contributions to Public Service Enterprises	\$ 439,694	\$ 439,694				
Other deductions	7,994,431	7,974,437		\$ 9,333		\$ 10,661
	<u>\$ 8,434,125</u>	<u>\$ 8,414,131</u>		<u>\$ 9,333</u>		<u>\$ 10,661</u>
Balance, June 30, 1957	<u>\$165,049,592</u>	<u>\$55,309,789</u>	<u>\$ 6,811,196</u>	<u>\$65,182,547</u>	<u>\$33,803,762</u>	<u>\$1,942,298</u>

The accompanying notes to financial statements are an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## CAPITAL SURPLUS

YEAR ENDED JUNE 30, 1957

Balance, July 1, 1956		\$316,564,699
Add:		
Transfers from current accounts:		
Bond redemptions	\$7,407,000	
Capital additions from revenues	5,494,473	
Other	<u>361,500</u>	13,262,973
Transfers from trust accounts:		
Capital additions - State Highway Trust		29,099
Profit on sale of capital assets:		
General City Departments		25,736
Parking lot rentals:		
1947 off-street parking bonds		<u>22,434</u>
		\$329,924,991
Deduct capital funds transferred to current accounts		<u>429,641</u>
Balance, June 30, 1957		<u>\$329,495,350</u>

The accompanying notes to financial statements are an integral part hereof.

## SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## SUMMARY OF FIXED ASSETS

JUNE 30, 1957

## General City and San Francisco Unified School District:

## Current year additions, net:

	Total	Land	Structures and Improvements	Equipment
General Government:				
Civic Center, Including City Hall	\$ 277,796		\$ 97,178	\$ 180,618
Public Safety:				
Fire Department	945,631	\$ (101,248)	959,179	87,700
Police Department	1,119,316	750,497	136,949	231,870
Department of Electricity	15,367		2,422	12,945
Highways:				
Streets, tunnels, bridges, etc.	2,632,786	645,996	1,996,412	80,378
Asphalt plant	(69,183)		(69,183)	
Off-street parking	1,587,818	1,583,576	4,242	
Sanitation:				
Sewers and sewer disposal plants	1,477,011	(7,549)	1,428,468	56,092
Street Cleaning Department	70,148			70,148
Health Conservation:				
Hassler Health Home	18,711		12,701	6,010
Other	21,826			21,826
Hospitals:				
San Francisco Hospital	9,394	9,394		
Emergency Hospitals	586,816		511,442	75,374
Public Welfare:				
Laguna Honda Home	4,506			4,506
Welfare Department				
Corrections:				
County Jails	7,958		7,958	
Youth Guidance Center	24,500		13,834	10,666
Libraries	89,099		77,990	11,109
Recreation:				
Playgrounds and swimming pools	4,701,013	(110,208)	4,239,669	571,592
Museum, art galleries, etc.	201,361		179,172	22,189
War Memorial and Opera House				
Parks and squares	1,555,114	130,295	1,306,971	47,848
Auditorium	139,317		131,013	8,304
Exhibit Hall	887,443		591,125	1,375
Golf Links	12,435	224,421	12,064	71,897
Kezar Stadium	109,421		109,421	371
Other:	93,330		93,330	
Central warehouse and corporation yard	131			
Retirement system	197,446	189,846	7,600	
Miscellaneous	(40,000)	(40,000)		
	37,960		6,358	31,602
Prior years' additions	\$ 18,343,311	\$ 3,275,020	\$ 13,424,951	\$ 1,643,340
	188,746,696	61,219,039	228,218,626	29,303,131
Total General City	\$407,090,307	\$64,494,095	\$311,643,777	\$30,952,471

CITY AND COUNTY OF SAN FRANCISCO  
AND  
SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
SUMMARY OF FIXED ASSETS

JULIE 30, 1957

Total General City	Total
Public Service Enterprises:	
Current year additions, net:	
Water Department	\$ 3,083,846
Municipal Railway	(1,264,812)
Hetch Hetchy Project	898,059
San Francisco Airport	429,782
Public Utilities Commission	145,425
	<u>\$ 3,292,300</u>
Prior years' additions	330,513,655
Total Public Service Enterprises	\$333,805,955
Total fixed assets, City and County of San Francisco	<u>\$740,896,262</u>

The accompanying notes to financial statements are an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

BONDED INDEBTEDNESS, JUNE 30, 1957

GENERAL CITY:

Schools:

1923 School	March 1, 1923	5	\$ 3,000,000	
1948 School:				
Series A	March 1, 1949	1-1/4 and 1-1/2	3,900,000	
Series B	April 1, 1951	1-3/4	6,928,000	
Series C	March 1, 1952	1-1/2	7,600,000	
Series D	December 1, 1952	1-3/4	9,000,000	
Series E	August 1, 1953	2-1/2	3,840,000	
Series F	March 1, 1954	1 to 1-3/4	2,400,000	
Series G	April 1, 1955	1-3/4 and 6	3,800,000	
Series H	April 1, 1957	2-1/2 to 6	<u>990,000</u>	\$ 41,458,000

Juvenile Court:

1948 Juvenile Court and Detention Home:				
Series A	August 1, 1948	1-3/4	\$ 434,000	
Series B	November 1, 1949	1-1/4 and 1-1/2	<u>512,000</u>	946,000

Boulevards and Roads:

1931 Boulevards and Roads	February 1, 1931	4-1/2	\$ 108,000	
1947 Street Improvement:				
Series A	February 1, 1948	2	300,000	
Series B	August 1, 1949	1-1/4 and 1-1/2	1,112,000	
Series C	November 1, 1949	1-1/4 and 1-1/2	3,120,000	
Series D	September 1, 1950	1-1/4 and 1-1/2	522,000	
Series E	March 1, 1952	1-1/2	1,925,000	
Series F	December 1, 1952	1-3/4	900,000	
Series G	March 1, 1954	1 and 1-1/4	700,000	
Series H	January 1, 1956	2 to 6	1,215,000	
Series I	April 1, 1957	2 to 6	<u>2,800,000</u>	12,702,000

Sewers:

1933 Sewer	December 1, 1933	4	\$ 545,000	
1944 Sewer:				
Series B	February 1, 1948	2 and 2-1/2	3,198,000	
1948 Sewage Treatment:				
Series A	August 1, 1949	1-1/4 and 1-1/2	4,205,000	
Series B	November 1, 1949	1-1/4 and 1-1/2	1,672,000	
Series C	March 1, 1952	1-1/2	1,600,000	
Series D	March 1, 1954	1 and 1-1/4	700,000	
Series E	January 1, 1956	2 to 6	975,000	
1954 Sewer:				
Series A	January 1, 1956	2 to 6	<u>2,435,000</u>	15,330,000



CITY AND COUNTY OF SAN FRANCISCO

AND

## SAN FRANCISCO UNIFIED SCHOOL DISTRICT

BONDED INDEBTEDNESS, JUNE 30, 1957

	<u>Date of Issue</u>	<u>Interest Rate Percent</u>			
<b>Parks and Playgrounds:</b>					
1931 Public Parks and Squares	February 1, 1931	4-1/2	\$	168,000	
1931 Playgrounds	February 1, 1931	4-1/2		24,000	
1947 Recreation:					
Series A	August 1, 1948	1-3/4		558,000	
Series B	November 1, 1949	1-1/4 and 1-1/2		712,000	
Series C	September 1, 1950	1-1/4 and 1-1/2		1,378,000	
Series D	August 1, 1953	2-1/2		1,990,000	
Series E	April 1, 1955	1-3/4 and 5-1/4		1,040,000	
Series F	January 1, 1956	2 to 6		1,460,000	
Series G	April 1, 1957	2-1/4 to 6		<u>1,170,000</u>	\$ 8,500,000
<b>Off-Street Parking:</b>					
1947 Off-Street Parking:					
Series A	March 1, 1952	1-1/2	\$	400,000	
Series B	January 1, 1956	2 to 6		<u>1,950,000</u>	2,350,000
<b>Hospitals:</b>					
1954 San Francisco Hospital:					
Series A	January 1, 1956	2 to 6	\$	1,460,000	
1954 Laguna Honda Home and Hospital:					
Series A	January 1, 1956	2 to 6		2,435,000	
Series B	April 1, 1957	2-1/4 to 6		<u>2,500,000</u>	6,395,000
<b>Fire Protection:</b>					
1952 Firehouse:					
Series A	April 1, 1955	1-3/4 to 6	\$	1,710,000	
Series B	January 1, 1956	2 to 6		975,000	
Series C	April 1, 1957	2-1/4 to 6		<u>1,400,000</u>	4,085,000
1954 Exhibit Hall:					
Series A	April 1, 1957	2-1/4 to 6			3,275,000
1956 Hall of Justice:					
Series A	April 1, 1957	2-1/4 to 6			1,475,000
City Hall and Civic Center	July 1, 1912	5		<u>800,000</u>	
Total General City, forward					\$ 97,316,000

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

BONDED INDEBTEDNESS, JUNE 30, 1957

Total General City, forwarded	\$ 97,316,000
PUBLIC SERVICE ENTERPRISES:	
Hetch Hetchy Water Supply and Power Project	\$21,974,437
San Francisco Water Department	45,623,563
Municipal Railway of San Francisco	10,670,000
San Francisco International Airport	<u>8,747,000</u>
Total Public Service Enterprises	<u>87,015,000</u>
Total Bonded Indebtedness	<u>\$184,331,000</u>

The accompanying notes to financial statements are an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS RELATING TO THE OFFICE OF THE CONTROLLER

JUNE 30, 1957

1. Authorized but unissued bonds:

The following is a summary of unissued bonds as at June 30, 1957:

1947 Street Improvement	\$ 2,900,000
1947 Off-Street Parking	2,000,000
1948 Sewage Treatment	450,000
1952 Fire House	550,000
1954 Sewer	10,145,000
1954 Laguna Honda Home and Hospital	475,000
1954 Recreation Center	5,000,000
1954 San Francisco Hospital	4,330,000
1955 Playground and Recreation Center	7,000,000
1955 Hetch Hetchy Power	44,000,000
1956 Hall of Justice	10,000,000
1956 Schools	27,000,000
1956 San Francisco International Airport	<u>25,600,000</u>
Total	<u>\$146,450,000</u>

2. Unallocated tax appropriations, Employees' Retirement Fund:

For the year ended June 30, 1957, taxes apportioned to the Employees' Retirement System for pension costs have exceeded actual costs by \$21,553, as follows:

Excess to June 30, 1956	\$190,213
Deduct amount returned to General City during 1956-57	<u>150,213</u>
Balance	-0-
Add amount apportioned or advanced to Employees' Retirement System for the current year	\$12,137,955
Less charges for current and prior service and other costs	<u>12,116,402</u>
Excess, June 30, 1957	<u>\$ 21,553</u>

In compliance with provisions of Section 60 of the Charter, this balance will be transferred back to the General Fund.

CITY AND COUNTY OF SAN FRANCISCO  
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, etc. (Continued)

3. Fixed capital properties:

The amount of \$740,896,262 does not purport to represent the cost of properties and equipment presently owned by the City and County. The principal reasons are as follows:

- A. A substantial but undetermined portion of expenditures on interdepartmental work orders in progress at the end of the fiscal year (\$5,461,616 at June 30, 1957, and \$1,767,680 at June 30, 1956) is applicable to land, structures or equipment, but such expenditures are not charged to fixed assets until each of the several jobs is completed.
- B. An equity of approximately \$702,200 has been acquired in parking meters (including \$5,900 during the year under review) which, together with the balance of \$3,100 owing at June 30, 1957, on meters installed to that date, has not been taken up on the accounts. One-half of the collections from each newly installed meter is paid to the vendor of the meter until such time as the agreed purchase price has been paid in full; the other half of the collections is credited to revenues.
- C. Construction contracts in progress, amounting to \$8,909,861 at June 30, 1957, are included under the deferred charge caption on the foregoing balance sheet. Attention is directed to Note 6 in further reference to this subject.
- D. Certain of the properties are recorded at appraised values.
- E. Equipment disposals, other than those by the San Francisco Unified School District, are not recorded in the accounts.

4. Contingent liabilities, suits, claims, etc.:

According to the City Attorney and Counsel for the School District, there were damage suits pending against the City and County and against the School District as at June 30, 1957, aggregating approximately \$26,000,000 and \$100,000 respectively; also, there were a large number of claims pending which had not yet resulted in legal action. Included in the claims of \$26,000,000 against the City and County, were claims aggregating approximately \$17,629,000 against the Municipal Railway for which the Railway has provided a reserve of \$2,649,417. No such reserve has been provided by any of the other departments of the municipality nor by the School District.

In addition, the independent accountant's report for the Water Department and Hetch Hetchy Project refers to contingent liabilities for various property damage, personal injury and water rate suits indeterminate in amount.

The Retirement Board has estimated the reserve requirements at June 30, 1957, for compensation claims pending under the workmen's compensation laws of the State of California to be \$1,502,536. The applicable share has been reserved and included in the statements of the Water Department, Hetch Hetchy Project and the Municipal

CITY AND COUNTY OF SAN FRANCISCO  
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, etc. (Continued)

Railway; however, no provision has been made by any other department of the municipality. It is the practice of the municipality to provide funds in each annual appropriation ordinance in an amount estimated to be sufficient to meet payments under these claims during the ensuing year.

It is also the practice of the municipality to have an actuarial estimate made once every six years of the amount of the City's unfunded prior service pension costs. These unfunded costs amounted to approximately \$40,500,000 at June 30, 1951, the date of the most recent estimate.

The City and County of San Francisco is contingently liable for the operating expenses and bond interest and redemption charges of the Golden Gate Bridge and Highway District by reason of its participation in the District. The unaudited financial statements of the Bridge District for the year ended June 30, 1957, show:

- A. Net income of \$1,743,778 after provision for bond interest and after a charge of \$224,942 for equipment and betterments.
- B. Bonds outstanding at June 30, 1957, amounted to \$28,000,000. These mature as follows:

<u>Year</u>	<u>Amount</u>
1957	\$ 1,200,000
1958-1961	4,800,000
1962-1966	8,000,000
1967-1971	<u>14,000,000</u>
Total	<u>\$28,000,000</u>

- C. A sinking fund for retirement of bonded debt amounting to \$7,611,879 at June 30, 1957.
- D. That the District will be liable in the sum of \$5,000,000 to the State of California in connection with the new Marin County approach, payable after the present bonded indebtedness of the District shall have been paid.

5. Amounts, June 30, 1956:

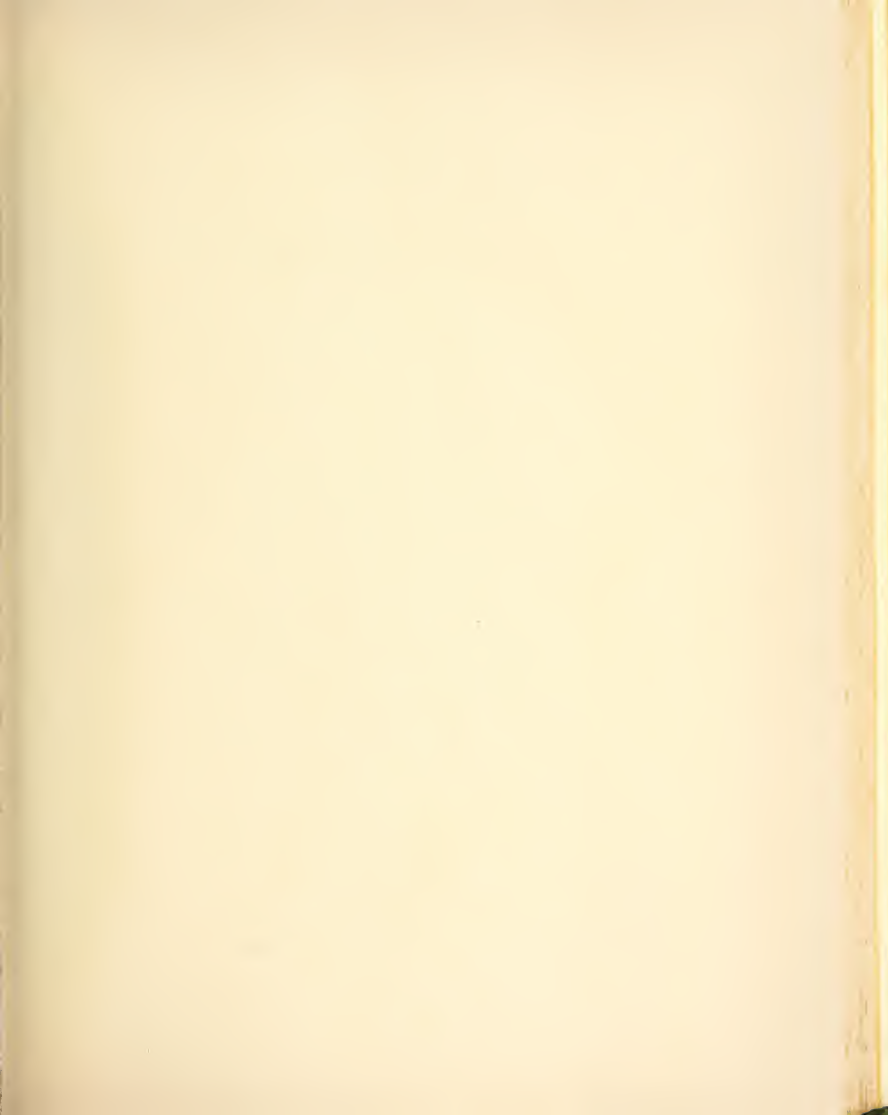
The figures for the year ended June 30, 1956, are presented, for the purpose of comparison, as shown by the report of other accountants, and are not covered by the accompanying accountants' opinion.

6. Other deferred charges:

Included in the deferred charge category on the foregoing balance sheet are incomplete contracts, purchase orders, service orders, etc., to outsiders in the

amount of \$8,753,040. Heretofore, such amounts were reflected as expenditures. It is the opinion of the Controller's Office, in which we concur, since these purchase orders, service orders, etc., to outsiders are incomplete, that the amount is substantially greater than the prior year (\$4,030,387 at June 30, 1956), and that the ultimate disposition of many of the items is not readily ascertainable (at June 30, 1957), i.e. capital or expense, deferring such amounts is more representative of the financial position of the City and County of San Francisco and the San Francisco Unified School District.

If such contracts, purchase orders, service orders, etc., to outsiders had been reflected as expenditures as in prior years, the total expenditures in Exhibit C would be increased by \$8,753,040, and current surplus decreased by a like amount.



## CITY AND COUNTY OF SAN FRANCISCO

AND

## SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## SUMMARY OF FUND BALANCE SHEETS AND ADJUSTMENTS THERE TO, JUNE 30, 1997

Cash	Receivables	Other Resources	Investments	Interfund Accounts	Total	
\$ 35,545,430	\$11,712,247	\$ 506,213		\$19,065,850	\$ 67,646,746	General City and County Fundst
14,750,042		77,050,000		4,074,322	101,714,970	Current
5,205,452	1,533,654		\$193,512,203	1,005,009	202,139,314	Capital
2,003,744	341			100	2,004,271	Public trusts
12,343					12,343	Private trusts
2,232,231				1,165	2,234,036	Assessment and redemption
						Agency
\$ 65,656,554	\$13,246,242	\$ 73,350,213	\$193,512,203	\$25,046,528	\$376,611,740	
51,200					51,200	To record:
\$ 147,483					147,483	Revolving funds
						School department tuition
				\$ 23,750	23,750	Additional liabilities
				21,553	21,553	Excess retirement contribution - net
						Unused tax apportionment - Retirement
6,229,432					6,229,432	To reclassify:
						Warrants recorded in June, issued in July
\$ 71,336,751	\$13,393,725	\$ 73,350,213	\$193,512,203	\$25,301,261	\$383,034,793	
\$ 13,524,998	\$ 499,371	\$ 44,000,000		\$ 171,020	\$ 55,196,189	Public Service Enterprise Fundst
6,307,915	1,207,042			956,011	8,561,768	Hetch Hetchy
3,506,303	25,471			12,222	3,534,075	Water Department
915,937	347,476	25,083,525		130,547	26,477,465	Municipal Railway
62,820	11,633			765,148	770,224	Airport
\$ 24,367,741	\$ 2,150,998	\$ 69,083,525		\$ 2,007,546	\$ 97,609,812	Public Utilities Commission
52,650					52,650	To record:
	(6,025)				(6,025)	Revolving Funds
	(72,475)				(72,475)	Write-off of Airport disputed receivables
				199,115		Audit adjustments
1,334,265	(199,115)				1,334,265	To reclassify:
						Hetch Hetchy receivable from Public Utilities Commission
						Warrants recorded in June, issued in July
						For statement purposes - Reserve - Airport
						(Receivables in litigation)
						Advance rental and other miscellaneous receipts,
						unauthorized bond premium, deposits, etc.
						Cash in transit
\$ 25,750,486	\$ 1,973,363	\$ 69,083,525		\$ 2,206,663	\$ 98,913,227	
\$ 97,691,447	\$15,267,108	\$147,433,738	\$193,512,203	\$26,098,524	\$482,003,020	Total City and County of San Francisco



Total	Encumbrances	Interfund Accounts	Deferred Credits	Cash Reserves	Reserves	Trust and Assessment	Unencumbered Appropriations	Unap- propriated
\$ 67,646,746	\$ 8,753,040	\$16,269,508	\$6,958,041	\$8,939,067	\$4,268,732		\$ 15,314,466	\$ 7,143,390
101,714,970	8,909,860	9,297,709					54,515,171	29,032,290
202,139,314	105,770	44,745				\$201,988,799		
2,864,271	235	7,574				2,656,462		
12,343						12,343		
<u>2,234,096</u>	<u>11,579</u>	<u>6,335</u>				<u>2,216,182</u>		
\$376,611,740	\$17,780,484	\$25,585,871	\$6,958,041	\$8,939,067	\$4,268,732	\$207,073,706	\$ 69,829,639	\$36,176,120
51,200								51,200
147,483								147,483
	75,222						(75,222)	
23,780		23,780				(23,780)	23,780	
21,553		21,553				(21,553)		21,553
<u>6,229,037</u>	<u>6,229,037</u>							
\$383,084,793	\$24,084,743	\$25,631,204	\$6,958,041	\$8,939,067	\$4,268,732	\$207,028,453	\$ 69,778,197	\$36,324,356
\$ 58,196,189	\$ 3,613,513	\$ 161,295			\$1,263,760		\$ 23,726,480	\$29,431,141
8,561,768	1,524,647	1,132,524			1,414,818		4,243,045	246,734
3,604,076	1,529,030	419,655			26,810		703,013	925,555
26,477,465	181,755	240,039			356,009		3,415,412	22,264,270
<u>770,224</u>	<u>21,676</u>	<u>314,662</u>			<u>11,638</u>		<u>422,243</u>	<u>45</u>
\$ 97,609,812	\$ 6,870,621	\$ 2,268,205			\$3,073,035		\$ 32,510,193	\$52,507,756
52,650								52,650
(6,025)					(6,025)			
(72,475)	113,249				(800)		(184,924)	
<u>1,334,265</u>	<u>1,135,150</u>	<u>199,115</u>						
			\$247,522		(247,522)			
			40,033					(40,033)
					(32,172)			32,172
\$ 98,918,227	\$ 8,119,020	\$ 2,467,320	\$ 287,555		\$2,786,516		\$ 32,325,269	\$52,832,547
\$482,003,020	\$32,203,763	\$28,098,524	\$7,245,596	\$8,939,067	\$7,055,248	\$207,028,453	\$102,103,466	\$89,323,903

## CITY AND COUNTY OF SAN FRANCISCO

AND

## SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## INDIVIDUAL FUND BALANCE SHEETS - CURRENT FUNDS

JUNE 30, 1957

Cash	Receivables	Other Resources	Interfund Accounts	Total	
			\$ 809,954	\$ 809,954	General Fund, 1957-58
\$ 1,711,298	\$ 2,817,372		10,919,497	15,446,167	General Fund, 1956-57
978,500	24,068		24,484	1,027,112	General Fund, Prior Years
1,103,600	2,904		131,449	1,237,953	Recreation and Park
119,322	5,324			124,646	Library
85,999	520			86,419	War Memorial
29,359				29,359	California Palace of the Legion of Honor
91,104				91,104	de Young Museum
30,407			2,500	32,907	Publicity and Advertising
59,739				59,739	Special Election
4,605,870	218,537		262,162	5,086,569	Special Road Improvement
4,791,781	845,351	\$500,213	1,773	6,139,118	San Francisco Unified School District
214,405	48,984			263,389	School Cafeteria
77,969	8,326			86,295	Child Care Centers
11,105,048	1,447,434		102,078	12,654,560	Special Gas Tax Street Improvement
	309,748			309,748	Employees' Retirement - Current
45,167	234,340		2,177,548	2,457,055	Bond Interest and Redemption
4,416,154	2,028,878		4,737,117	11,182,149	Cash Reserve
780,361			717,288	1,497,649	Emergency Reserve
25,617				25,617	Embarcadero Widening
102,824	3,117,149			3,219,973	Capital Improvement
	266,000			266,000	Alcoholic Beverage License Subsidy
	337,312			337,312	Tuberculosis Aid Subsidy
(167,930)				(167,930)	Auditorium
(171,332)				(171,332)	Firemen's Relief and Pension
(103,236)				(103,236)	Police Relief and Pension
					Unapportioned Funds:
	938			938	Tax Collector's Taxes
	109			109	Redemption of Property
56,261				56,261	Delinquent Tax Installments
5,559,142				5,559,142	Assessor's Personal Property Taxes
<u>\$35,548,436</u>	<u>\$11,712,247</u>	<u>\$500,213</u>	<u>\$19,885,850</u>	<u>\$67,646,746</u>	

Total	Encumbrances	Interfund Accounts	Deferred Credits	Cash Reserves	Reserves	Unencumbered Appropriations	Unappro- priated
\$ 809,954							\$ 809,954
15,443,167	\$5,351,009	\$ 3,505,652	\$1,289,424		\$1,919,050	\$ 3,383,032	
1,027,112	85,343	767,205	6,500		23,131	144,933	
1,237,953	120,083	398,092	45,667		10,292	655,819	
124,646	43,886	54,440			5,325	20,995	
86,419	6,689	10,271			520	63,739	
29,359	7,436	19,402				2,521	
91,104	9,341	45,001				36,762	
32,907	27,211	3,603				2,093	
59,739						50,000	9,739
5,066,569	249,202	973,960				2,165,504	1,697,503
6,139,118	2,835,512	1,536,209			481,788	131,074	1,154,535
263,389		37				5,000	258,352
86,295	15,290	3,134			1,509	5,013	61,342
12,654,560	2,038	2,926,203				7,119,464	2,606,855
309,748		127,979			181,769		
2,497,055		2,200,000			212,912		44,143
11,182,149		818,646		\$8,939,067	1,424,436		
1,497,649						1,497,649	
25,617						25,617	
3,219,973		2,276,362				53	943,553
266,000		266,000					
337,312		337,312					
(167,930)							(167,930)
(171,332)							(171,332)
(103,236)							(103,236)
938			938				
109			109				
56,261			56,261				
5,559,142			5,559,142				
<u>\$57,646,746</u>	<u>\$8,753,040</u>	<u>\$16,269,508</u>	<u>\$6,958,041</u>	<u>\$8,939,067</u>	<u>\$4,268,732</u>	<u>\$15,314,468</u>	<u>\$7,143,370</u>

JUNE 30, 1957

[illegible]

AND

## SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS - RETIREMENT AND OTHER PENSION TRUST FUNDS

JUN 30. 1957

Cash	Receivables	Investments	Interfund Accounts	Total	Encumbrances	Interfund Accounts	Fund Balances
\$4,153,426	\$1,497,429	\$192,951,514	\$1,035,005	\$200,517,574	\$23,811	\$8,160	\$200,485,663
438	12	1,999		2,449			2,449
1,255		34		1,349			1,349
261				261			261
1,666		50,990		52,656			52,656
8,120	1,434	116,672		126,226		100	126,023
11,637		74,577		86,664	1,103	5,000	85,561
983	133	11,576		12,334			12,334
1,501		2,000		3,501			3,501
28,172				28,172	3,540	1,507	23,125
856	85	9,071		9,992			9,992
969	17	6,999		7,985			7,985
2,563				2,563	150		2,413
318	22	979		1,819			1,819
6,597	416	40,000		47,408			47,408
6,992				6,992			6,992
1,149		5,000		1,149	135		1,014
10,176				15,176			15,176
2,152				2,152			2,152
16,322	1,118	204,936		222,376	3,596		218,780
184	10	5,000		5,194	120		5,074
342				342			342
1,160	91	15,009		16,260			16,260
125				125			125
7,929				7,929			7,929
2,418				2,418			2,418
184,962				184,962	8,943		176,019
410,710				410,710		4,189	406,521
2,038				2,038			2,038
3,594				3,594	70		3,524
3,693				3,693	184		3,509
2,341				2,341			2,341
110		15,595		18,036			18,036
334				334			334
20				20			20
1,195				1,195			1,195
110				110			110
165				165			165
39,886				39,886	3,475	25,439	10,922
203,006	32,777			203,006	11,550		191,456
114				114			114
30				30			30
30,773				30,773	49,113	300	41,366
\$200,485,663	\$1,533,654	\$193,912,203	\$1,035,005	\$200,485,663	\$23,811	\$8,160	\$200,485,663

## CITY AND COUNTY OF SAN FRANCISCO

AND

## SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## INDIVIDUAL FUND BALANCE SHEETS - PRIVATE TRUST FUNDS

JUNE 30, 1957

Cash	Receivables	Interfund Accounts	Total		Total	Encumbrances	Interfund Accounts	Fund Balances
\$ 394			\$ 394	Absent Creditors				\$ 394
23,856			23,856	Adult Probation Officers' Deposit				23,856
43,291			43,291	Adult Probation Officers' Clearing Account				43,291
96			96	Coroner's Unclaimed Money				96
21,555			21,555	County Clerk Bail				21,555
4,500			4,500	County Clerk Special				4,500
433,878			433,878	de Young Museum				433,878
1,077			1,077	Duplicate Taxes				1,077
28,862			28,862	Electrical Deposits				28,862
1,923			1,923	Jail Stores Deposits				1,923
17,473			17,473	Legion of Honor				17,473
16,064			16,064	Library Card Deposits				16,064
1,560			1,560	Municipal Court Bail				1,560
460			460	Municipal Court Special				460
56,300			56,300	Police Department Deposits				56,300
163,609			163,609	Realty Deposits				163,609
1,749			1,749	Refundable Deposits, Department of Public Works				1,749
36,329			36,329	Sheriff's Trust				36,329
88,854			88,854	Special Badge				88,854
88,688			88,688	Street Improvement				88,688
7,335			7,335	Street Improvement - Ordinance 1934				7,335
125			125	Street Improvement Refund				125
465			465	Twin Peaks Tunnel Refund				465
1,245			1,245	Voluntary Payroll Deductions				1,245
10,480			10,480	War Bonds				10,480
18,788			18,788	Withholding Tax - General				18,788
237,924			237,924	Withholding Tax - Municipal Railway				237,924
74,564			74,564	Withholding Tax - San Francisco Unified School District				74,564
816,592			816,592	F. I. C. A. Taxes - Municipal Railway				816,592
208,765			208,765	F. I. C. A. Taxes - Redevelopment Agency				208,765
418,551			418,551	F. I. C. A. Taxes - Parking Authority				418,551
37,887			37,887	F. I. C. A. Taxes - Air Pollution Control				37,887
697			697	California Unemployment Agency				697
195			195					195
365			365					365
244			244					244
\$2,863,744	\$341	\$186	\$2,864,271			\$235	\$7,574	\$2,856,462

## CITY AND COUNTY OF SAN FRANCISCO

AND

## SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## INDIVIDUAL FUND BALANCE SHEETS, JUNE 30, 1957

Interfund		Total	Encum-		Interfund	Fund
Cash	Accounts		brances	Accounts		Balances
\$ 1,302	\$	1,302				1,302
4,233		4,233				4,233
938		938				938
3,623		3,623				3,623
142		142				142
64		64				64
461		461				461
1,500		1,500				1,500
<u>\$ 12,343</u>		<u>\$ 12,343</u>				<u>\$ 12,343</u>
Assessment and Redemption Funds:						
Circular Avenue Assessment						
Circular Avenue Redemptions						
City Lands Assessment						
City Lands Redemption						
Oakwood Street Assessments						
Oakwood Street Redemptions						
Saturn Avenue Assessments						
Saturn Avenue Redemptions						
Virginia Avenue Assessments						
Virginia Avenue Redemptions						
Agency Funds:						
State Consumers' Use Tax						
State County Fair						
State Fines and Forfeitures						
State Inheritance Taxes						
State Inheritance Taxes - refund						
State Sales Tax						
State Teachers' Annuity Deposits						
State Teachers' Retirement						
State Teachers' Retirement - Permanent						
Redevelopment Agency - Survey and Planning						
Redevelopment Agency - Project Expenditures						
<u>\$ 3,836</u>	<u>\$ 11.65</u>	<u>\$ 3,836</u>	<u>\$ 11,579</u>	<u>\$ 1,500</u>	<u>\$ 4,835</u>	<u>\$ 1,236,685</u>
<u>\$ 542,601</u>		<u>\$ 542,601</u>				<u>\$ 542,601</u>
<u>\$ 11,900</u>		<u>\$ 11,900</u>				<u>\$ 11,900</u>
<u>\$ 318,453</u>		<u>\$ 318,453</u>				<u>\$ 318,453</u>
<u>\$ 4,214</u>		<u>\$ 4,214</u>				<u>\$ 4,214</u>
<u>\$ 14,575</u>		<u>\$ 14,575</u>				<u>\$ 14,575</u>
<u>\$ 17,329</u>		<u>\$ 17,329</u>				<u>\$ 17,329</u>
<u>\$ 19,403</u>		<u>\$ 19,403</u>				<u>\$ 19,403</u>
<u>\$ 1,301,630</u>		<u>\$ 1,301,630</u>				<u>\$ 1,301,630</u>
<u>\$ 2,232,931</u>	<u>\$ 11.65</u>	<u>\$ 2,232,931</u>	<u>\$ 11,579</u>	<u>\$ 6,335</u>	<u>\$ 2,216,181</u>	<u>\$ 2,216,181</u>



CITY AND COUNTY OF SAN FRANCISCO

PUBLIC SERVICE ENTERPRISES

INDIVIDUAL FUND BALANCE SHEETS, JUNE 30, 1957

	Other Resources	Interfund Accounts	Total	Hatch Hatchery: Operating 1947 Water Bonds 1949 Cherry Valley Dam Bonds 1955 Hatch Hetchy Power	Total	Encumbrances	Interfund Accounts	Reserves	Unencumbered Appropriations	Unappropriated
1,405,015	499,371	171,480	2,077,106	Operating	2,077,106	287,897	106,557	4,960	566,161	1,111,531
1,250,320		1,250,320	1,250,320	1947 Water Bonds	1,250,320			1,250,320		
82,424		82,424	82,424	1949 Cherry Valley Dam Bonds	1,117,480		482		89,424	69,896
1,117,480		1,117,480	1,117,480	1955 Hatch Hetchy Power	53,660,039	3,312,684	59,256		1,034,570	281,289,774
9,660,039		9,660,039	9,660,039		53,660,039				22,093,325	
13,324,192	499,371	171,480	13,994,042		53,196,189	33,613,513	161,285	1,283,760	123,726,480	229,431,141
5,047,972	1,207,042	986,811	7,241,825	Water Department: Operating Bond Interest and Redemption Real Property	7,241,825	1,524,647	1,132,524	99,818	4,238,102	246,734
1,315,000			1,315,000		1,315,000			1,315,000		
4,443			4,443		4,443				4,443	
6,367,915	1,207,042	986,811	8,560,768		8,560,768	1,524,647	1,132,524	1,414,818	4,243,045	246,734
3,434,083	85,471	11,901	3,530,455	Municipal Railways: Operating 1947 Municipal Railway Rehabilitation	3,530,455	1,487,454	419,655	26,810	696,768	925,568
67,500		321	67,821		67,821	41,276			26,285	
3,220,283	85,471	12,222	3,307,976		3,307,976	1,529,030	419,655	26,810	703,013	925,568
476,256	347,476	632	824,364	Airports: Operating Rehabilitation 1947 Airport Bonds 1949 Airport Bonds 1956 Airport Bonds Federal Airport Project	824,364	17,350	81,066	356,009	7,721	362,970
93,314		43,365	136,679		136,679	25,839			110,317	28,686
227,420		66,500	293,920		313,920		7,523		306,335	
14,507			25,018,597		25,018,597	118,504	21,538		2,086,545	21,092,000
13,225			136,820		136,820	20,000	129,912		3,024	3,014
915,337	347,476	130,547	1,393,360		1,393,360	181,755	240,039	356,009	3,415,412	228,234,270
52,508	11,638	706,148	770,294	Public Utilities Commissions Operating	770,294	21,676	314,692	11,638	422,283	45
24,367,741	42,190,598	2,007,548	66,658,887		66,658,887	1,870,661	92,268,205	33,073,035	32,510,193	95,887,758



## CITY AND COUNTY OF SAN FRANCISCO

## AND

## SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUNDS BALANCE SHEET, JUNE 30, 1997

A S S E T S											
BALANCE SHEET - DECEMBER 31, 2023											
Proprietary Balance Sheet - Exhibit A											
Deduct:											
Fixed capital assets	\$636,963,113	\$636,963,113									
Warrants and payroll deductions outstanding	5,763,736		\$ 5,763,736								
Bond interest matured - unpaid	59,289		59,289								
Bonds matured - unpaid	49,200		49,200								
Inventories and deferred charges	28,795,356										
Federal aid for public improvements	83,525				\$83,525				\$128,475		
Reserves - securities deposits on leases	128,475										
Total	\$671,083,694	\$636,963,113	\$ 5,863,109		\$83,525				\$128,475		\$28,795,356
Add:											
Accounts receivable reserves	4,286,871		\$ 4,286,871				\$93,738				
Bonds unsold (Note 1)	146,890,000				146,890,000						
Interfund accounts	23,386,093									\$23,386,093	
Total	\$175,106,702		\$ 4,286,871				\$147,433,738			\$23,386,093	
Funds Balance Sheet - Exhibit H	\$842,003,020	\$ -0-	\$ 97,691,447	\$15,289,108	\$ -0-		\$147,433,738	\$193,512,203	\$ -0-	\$23,004,524	\$ -0-

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUNDS BALANCE SHEET, JULY 30, 1957

LIABILITIES AND SURPLUS

Proprietary Balance Sheet - Exhibit A

Deduct:

Bonded debt and interest maturing after July 1, 1957  
Fixed capital assets  
Bonds matured - unpaid  
Bonds matured - unpaid  
Bond interest maturing on July 1, 1957  
Bond interest maturing on July 1, 1957  
Reserves - securities deposits on leases  
Warrants and payroll deductions outstanding  
Federal aid for public improvements  
Inventories and deferred charges  
Reserve for outstanding tokens - Municipal Railway  
Operating reserve - Water Department  
Reserve for refunds - Water Department  
Reserve for Workmen's Compensation claims, sick leave, vacation, etc.  
Reserve for accident claims - Municipal Railway  
Accruals due U. S. Government - Municipal Railway  
Customers' deposits and advances  
Unidentified receipts - Municipal Railway  
Unidentified receipts: autonomous appropriations  
Unidentified receipts: Public Service Enterprises  
Receivable from State of California - reserved  
Current year's advances and prior year's receipts  
not encumbered - Public Utilities Commission  
Audit adjustment - Airport

Total

Add:

Interfund accounts  
Bond Fund transfers  
Bonds unsold  
Additional doubtful account reserve - Water Department  
Airport fund transfer reserve  
Accounts receivable reserve  
Interfund work order, budget transfer, etc. adjustments

Total

Funds Balance Sheet - Exhibit H

	Total	Bonded Debt	Bond Interest	Accounts Payable and Encumbrances	Interfund Accounts	Reserves	Deferred Credits	Trust and A. Account	Surplus
Proprietary Balance Sheet	\$778,728,772	\$184,380,200	\$1,889,616	\$38,364,775	\$4,712,431	\$3,715,473	\$7,771,206	\$70,114,114	\$70,114,114
Deduct:									
Bonded debt and interest maturing after July 1, 1957	\$636,963,113	\$184,380,200	\$763,205						
Fixed capital assets	49,200		55,289						
Bonds matured - unpaid	49,200	49,200	1,031,162						
Bond interest maturing on July 1, 1957									
Bond interest maturing on July 1, 1957		2,800,000							
Reserves - securities deposits on leases	128,475								
Warrants and payroll deductions outstanding	5,763,726								
Federal aid for public improvements	85,257								
Inventories and deferred charges	28,785,356								
Reserve for outstanding tokens - Municipal Railway									
Operating reserve - Water Department									
Reserve for refunds - Water Department									
Reserve for Workmen's Compensation claims, sick leave, vacation, etc.									
Reserve for accident claims - Municipal Railway									
Accruals due U. S. Government - Municipal Railway									
Customers' deposits and advances									
Unidentified receipts - Municipal Railway									
Unidentified receipts: autonomous appropriations									
Unidentified receipts: Public Service Enterprises									
Receivable from State of California - reserved									
Current year's advances and prior year's receipts not encumbered - Public Utilities Commission									
Audit adjustment - Airport									
Total	\$671,828,656	\$184,380,200	\$1,889,616	\$4,000	\$0	\$1,136,638	\$7,551,640	\$277,281,578	\$277,281,578
Add:									
Interfund accounts	\$23,386,093				\$23,386,093				
Bond Fund transfers									
Bonds unsold	146,850,000								
Additional doubtful account reserve - Water Department									
Airport fund transfer reserve									
Accounts receivable reserve									
Interfund work order, budget transfer, etc. adjustments									
Total	\$820,003,000	\$0	\$0	\$4,000	\$23,386,093	\$1,136,638	\$7,551,640	\$277,281,578	\$277,281,578

Cash reserves  
\$8,339,009  
\$105,103,466

**San Francisco Water Department**  
**AND**  
**HETCH HETCHY WATER SUPPLY AND POWER PROJECT**

•

**REPORT ON EXAMINATION OF ACCOUNTS**  
**YEAR ENDED JUNE 30, 1957**

October 10, 1957.

The Honorable Harry D. Ross, Controller,  
City and County of San Francisco,  
San Francisco, California.

Dear Sir:

Pursuant to your instructions, and under the terms of an agreement with you dated May 10, 1957, we have examined the combining balance sheet of the San Francisco Water Department and Hetch Hetchy Project as of June 30, 1957, and the related combining statements of income and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying combining balance sheet and combining statements of income and surplus present fairly the financial position of the San Francisco Water Department and Hetch Hetchy Project at June 30, 1957, and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our report, audit program, and working papers in connection with this examination have been made available to Mr. David F. Sumple, consultant and statistician for the Grand Jury.

We present herewith the following exhibits, schedule, and notes:

Exhibit

A - Combining Balance Sheet, June 30, 1957.

Schedule

1 - Combining Summary of Property, Plant,  
and Equipment, and Related  
Accumulated Depreciation, June 30,  
1957.

B - Combining Statement of Income for the Year  
Ended June 30, 1957.

C - Combining Statement of Surplus for the Year  
Ended June 30, 1957.

Notes to Financial Statements.

Yours truly,

CITY AND COUNTY OF SAN FRANCISCO  
WATER DEPARTMENT AND HATCH HATCHERY PROJECT

COMBINING BALANCE SHEET, JUNE 30, 1957

-- A S S E T S --

PROPERTY, PLANT, AND EQUIPMENT (Schedule 1 -

Note 1):

In service:

Tangible property,.....  
Intangible property,.....  
Not in service - Tangible property,.....  
Total,.....  
Less accumulated depreciation,.....  
Remainder,.....  
Under construction,.....  
Total property, plant, and equipment,.....

CASH:

On deposit with Treasurer,.....  
Revolving funds,.....  
Total cash,.....

ACCOUNTS RECEIVABLE:

Consumers' accounts,.....  
Other accounts,.....  
Total,.....  
Less allowance for doubtful accounts,.....  
Remainder - Accounts receivable,.....

DUE FROM CITY AND COUNTY OF SAN FRANCISCO:

General departments and funds,.....  
Other public service departments,.....  
Total due from City and County of San Francisco,.....

DEFERRED CHARGES AND OTHER ASSETS:

Materials and supplies,.....  
Commitments for goods and services not received (contra),.....  
Deposits and other accounts,.....  
Total deferred charges and other assets,.....

TOTAL,.....

	COMBINED	ELIMINATIONS	WATER DEPARTMENT	HATCH HATCHERY PROJECT
\$230,125,418.35			\$ 98,514,471.35	\$131,610,947.00
5,986,543.00			3,222,913.00	2,735,630.00
913,187.27			654,436.43	58,690.84
\$236,997,148.62			\$102,591,880.78	\$134,405,267.84
\$2,072,051.35			34,603,397.92	37,468,653.43
\$164,925,097.27			\$ 67,988,482.86	\$ 96,936,614.41
3,599,751.19			2,859,737.87	740,013.32
\$168,524,848.46			\$ 70,848,220.73	\$ 97,676,627.73
\$ 20,324,458.93			\$ 6,659,791.51	\$ 13,664,667.42
34,000.00			30,000.00	4,000.00
\$ 20,358,458.93			\$ 6,689,791.51	\$ 13,668,667.42
\$ 1,376,800.90			\$ 1,078,727.23	\$ 298,073.67
76,638.41			76,638.41	
\$ 1,453,439.31			\$ 1,155,365.64	\$ 298,073.67
30,698.66			30,698.66	
\$ 1,422,740.65			\$ 1,124,666.98	\$ 298,073.67
\$ 3,144.87				\$ 3,144.87
274,624.21		\$49,738.00	\$ 1,603.06	322,759.15
\$ 277,769.08		\$49,738.00	\$ 1,603.06	\$ 325,904.02
\$ 584,318.59			\$ 530,712.31	\$ 53,606.28
4,611,731.19			1,248,666.17	3,363,065.02
142,327.93			117,761.93	24,566.00
\$ 5,338,377.71			\$ 1,897,140.41	\$ 3,441,237.30
\$195,922,194.83		\$49,738.00	\$ 80,561,422.69	\$115,410,510.14

EXHIBIT A

(Continued) - 1.

CITY AND COUNTY OF SAN FRANCISCO  
WATER DEPARTMENT AND HETCH HETCHY PROJECT  
COMBINING BALANCE SHEET, JUNE 30, 1957

-- L I A B I L I T I E S --

	COMBINED	ELIMINATIONS	WATER DEPARTMENT	HETCH HETCHY PROJECT
<b>BONDED DEBT (Note 3):</b>				
Matured bonds not presented for payment,.....	\$ 24,000.00		\$ 14,000.00	\$ 10,000.00
Maturing within one year,.....	5,222,000.00		1,924,505.00	3,297,495.00
Maturing subsequent to June 30, 1958,.....	62,376,000.00		20,049,932.00	42,326,068.00
Total bonded debt,.....	\$ 67,622,000.00		\$ 21,988,437.00	\$ 45,633,563.00
<b>BOND INTEREST PAYABLE:</b>				
Matured coupons not presented for payment,.....	\$ 44,372.50		\$ 8,482.50	\$ 35,890.00
Due July 1, 1957,.....	853,500.00		315,000.00	538,500.00
Accrued, due subsequent to July 1, 1957,.....	170,729.75			170,729.75
Total bond interest payable,.....	\$ 1,068,602.25		\$ 323,482.50	\$ 745,119.75
<b>ACCOUNTS PAYABLE AND COMMITMENTS:</b>				
Warrants outstanding and payroll deductions payable,.....	363,173.25		\$ 269,394.16	\$ 93,779.09
Accounts payable,.....	339,276.89		80,283.34	258,993.55
Retained percentages due contractors,.....	259,422.57		246,805.91	12,616.66
Commitments for goods and services not received (contra),.....	4,611,731.19		1,248,666.17	3,363,065.02
Total accounts payable and commitments,.....	\$ 5,573,603.30		\$ 1,845,149.58	\$ 3,728,453.72
<b>DEPOSITS AND CONSTRUCTION ADVANCES,.....</b>	\$ 248,095.75		\$ 184,799.65	\$ 63,296.10
<b>DUE TO CITY AND COUNTY OF SAN FRANCISCO:</b>				
General departments and funds,.....	172,504.27		\$ 125,615.31	\$ 46,888.96
Other public service departments,.....	25,651.63	\$49,738.00	73,603.52	1,786.31
Total due to City and County of San Francisco,.....	\$ 198,156.10	\$49,738.00	\$ 199,218.83	\$ 48,675.27
<b>RESERVES AND DEFERRED CREDITS:</b>				
Workmen's compensation claims, employees' vacation pay, sick leave pay, etc.,.....	344,549.38		\$ 335,694.54	\$ 8,854.84
Consumers' accounts subject to adjustment (Note 2),.....	367,570.06		367,570.06	
Other,.....	7,281.09			
Total reserves and deferred credits	\$ 719,400.53		\$ 710,545.69	\$ 8,854.84
<b>SURPLUS (Knibbit C),.....</b>	\$120,492,336.30		\$ 55,309,789.44	\$ 65,182,546.86
TOTAL,.....	\$105,922,194.93	\$49,738.00	\$ 80,561,422.69	\$115,430,510.14

NOTE: The accompanying notes to financial statements are an integral part of this balance sheet.

EXHIBIT A

(Concluded) - 2.

## WATER DEPARTMENT AND HETCH HETCHY PROJECT

COMBINING SUMMARY OF PROPERTY, PLANT, AND EQUIPMENT,  
AND RELATED ACCUMULATED DEPRECIATION, JUNE 30, 1957

	PROPERTY, PLANT, AND EQUIPMENT	ACCUMULATED DEPRECIATION
IN SERVICE:		
Tangible property:		
Water Department:		
Land and rights of way,.....	\$ 14,236,830.89	
Buildings, structures, and grounds,..	1,697,743.45	\$ 858,807.41
Source of water supply,.....	29,395,082.59	9,133,357.87
Pumping station equipment,.....	1,401,846.68	416,352.54
Purification system,.....	324,783.91	122,022.27
Transmission and distribution system,	49,721,710.32	22,702,751.55
General equipment,.....	388,208.54	213,051.22
Automotive equipment,.....	437,080.28	267,804.44
Undistributed interest during construction,.....	911,184.69	343,217.54
Total Water Department,.....	<u>\$ 98,514,471.35</u>	<u>\$34,057,364.84</u>
Hetch Hetchy Project:		
Water plant:		
Land and rights of way,.....	\$ 1,013,897.90	
Buildings, structures, and grounds,	148,140.21	\$ 56,669.20
Source of water supply,.....	69,679,560.17	20,651,392.26
Purification system,.....	37,313.93	29,579.53
Total water plant,.....	<u>\$ 70,878,912.21</u>	<u>\$20,737,640.99</u>
Electric plant:		
Land and rights of way,.....	\$ 1,896,404.57	\$ 34,138.28
Buildings, structures, and grounds,	1,444,902.87	649,769.37
Hydraulic product plant,.....	8,601,553.07	4,813,428.89
Transmission system,.....	2,698,623.46	2,184,676.54
General equipment,.....	224,550.69	66,058.40
Total electric plant,.....	<u>\$ 14,866,034.66</u>	<u>\$ 7,748,071.48</u>
Joint plant:		
Land and rights of way,.....	\$ 331,696.15	\$ 4,449.28
Buildings, structures, and grounds,	1,212,220.37	609,059.22
Source of water supply,.....	43,806,038.49	8,045,856.72
General equipment,.....	516,045.12	289,255.41
Total joint plant,.....	<u>\$ 45,866,000.13</u>	<u>\$ 8,948,620.63</u>
Total Hetch Hetchy Project,....	<u>\$131,610,947.00</u>	<u>\$37,434,333.10</u>
Total tangible property in service (Forward),.....	\$230,125,418.35	\$71,491,697.94



CITY AND COUNTY OF SAN FRANCISCO  
 WATER DEPARTMENT AND HETCH HETCHY PROJECT  
COMBINING SUMMARY OF PROPERTY, PLANT, AND EQUIPMENT, ETC.

	PROPERTY, PLANT, AND EQUIPMENT	ADJUSTED DEPRECIATION
<b>IN SERVICE (Continued):</b>		
Total tangible property in service (Forward),.....	\$230,125,418.35	71,441,887.94
Intangible property:		
Water rights and other intangible property:		
Water Department,.....	\$ 3,222,903.00	
Hetch Hetchy Project,.....	2,735,630.00	
Total intangible property in service,.....	\$ 5,958,543.00	
<b>NOT IN SERVICE:</b>		
Tangible property:		
Water Department,.....	\$ 854,496.43	\$ 548,282.88
Hetch Hetchy Project,.....	58,690.84	34,200.33
Total tangible property not in service,.....	\$ 913,187.27	\$ 582,483.21
<b>UNDER CONSTRUCTION:</b>		
Water Department:		
Hillsborough tunnel,.....	\$ 1,350,933.19	
Crystal Springs and Sunset supply line,	204,565.62	
Balboa reservoir,.....	362,095.50	
Sunset reservoir,.....	767,522.11	
Water mains,.....	106,030.21	
Other,.....	68,530.30	
Total Water Department,.....	\$ 2,859,737.57	
Hetch Hetchy Project:		
Cherry Valley dam,.....	\$ 117,465.62	
Cherry and Canyon power projects,.....	552,370.03	
Other,.....	70,177.47	
Total Hetch Hetchy Project,....	\$ 740,013.32	
Total property under construction,.....	\$ 3,599,751.12	
<b>TOTAL PROPERTY, PLANT, AND EQUIPMENT,.....</b>	<b>\$240,596,899.81</b>	<b>\$72,672,551.35</b>

CITY AND COUNTY OF SAN FRANCISCO  
WATER DEPARTMENT AND HETCH HETCHY PROJECT  
COMBINED SUMMARY OF PROPERTY, PLANT, AND EQUIPMENT, ETC.

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ADDITIONS TO COMBINED PROPERTIES,  
YEAR ENDED JUNE 30, 1957:

Water Department:

Land and rights of way,.....	\$ 87,316.96
Buildings, structures, and grounds,.....	64,154.41
Bay Division pipeline,.....	136,419.49
Guadalupe by-pass,.....	498,042.71
Sunol water system supply line,..	41,429.93
Meter mains, meters, and services, etc.,.....	911,982.31
Automotive equipment,.....	49,844.06
Other,.....	<u>86,423.83</u>

Total Water Department,..... \$1,875,613.70

Hetch Hetchy Project:

Cherry Valley dam and reservoir,. \$1,036,067.50	
Shops, sheds, and garage buildings at Loccasin,.....	159,387.16
Other,.....	<u>71,643.31</u>

Total Hetch Hetchy Project,..... 1,267,097.97

TOTAL ADDITIONS TO COMBINED PROPERTIES,..... \$3,142,711.67

CITY AND COUNTY OF SAN FRANCISCO  
WATER DEPARTMENT AND HETCH HETCHY PROJECT

COMBINING STATEMENT OF INCOME  
FOR THE YEAR ENDED JUNE 30, 1957

	COMBINED	ELIMINATIONS	WATER DEPARTMENT	HETCH HETCHY PROJECT
<b>OPERATING REVENUES (Note 2):</b>				
Water sales,.....	\$13,262,960.94	\$4,030,000.00	\$13,262,960.94	\$4,030,000.00
Electrical energy sales,.....	4,804,325.04			4,804,325.04
Total operating revenues,.....	<u>\$18,067,285.98</u>	<u>\$4,030,000.00</u>	<u>\$13,262,960.94</u>	<u>\$8,834,325.04</u>
<b>OPERATING EXPENSES:</b>				
Standby charge and purchases of water,....		\$4,030,000.00	\$4,030,000.00	
Purchases of electrical energy,.....	\$ 1,034,010.60			\$1,034,010.60
Production expenses,.....	555,226.41			555,226.41
Source of water supply,.....	445,631.01		445,631.01	
Pumping,.....	335,983.70		335,983.70	
Purification,.....	208,825.07		208,825.07	
Transmission and distribution,.....	2,538,419.93		1,113,543.81	1,424,876.12
Commercial,.....	643,768.99		630,632.99	13,136.00
Administrative and general,.....	2,143,530.92		1,525,623.54	617,907.38
Provision for doubtful accounts,.....	69,206.12		69,206.12	
Provision for depreciation,.....	3,044,882.40		1,130,856.00	1,914,026.40
Total operating expenses,.....	<u>\$11,019,505.15</u>	<u>\$4,030,000.00</u>	<u>\$9,490,302.24</u>	<u>\$5,559,202.31</u>
<b>OPERATING INCOME,.....</b>	<u>\$ 7,047,780.83</u>		<u>\$ 3,772,658.70</u>	<u>\$ 3,275,122.73</u>
<b>OTHER INCOME:</b>				
Gain from sales of property,.....	\$ 77,793.55		\$ 24,870.62	\$ 52,922.93
Rentals received, including crop sales,...	360,462.20		332,286.31	28,175.89
Interest earned,.....	23,154.60		23,154.60	
Miscellaneous,.....	56,644.76		28,216.52	28,428.24
Total other income,.....	<u>\$ 518,055.11</u>		<u>\$ 408,528.05</u>	<u>\$ 109,527.06</u>
Total,.....	<u>\$ 7,565,835.94</u>		<u>\$ 4,181,186.75</u>	<u>\$ 3,384,649.79</u>
<b>OTHER DEDUCTIONS:</b>				
Interest on bonded debt,.....	\$ 2,162,364.29		\$ 782,031.11	\$1,380,333.18
Agricultural division and crop expense,...	89,465.48		89,465.48	
Miscellaneous,.....	7,738.62		7,738.62	
Total other deductions,.....	<u>\$ 2,259,568.39</u>		<u>\$ 879,235.21</u>	<u>\$1,380,333.18</u>
<b>EXCESS OF REVENUES OVER EXPENSES (Exhibit C)</b>	<u>\$ 5,306,267.55</u>		<u>\$ 3,301,951.54</u>	<u>\$ 2,004,316.61</u>

NOTE: The accompanying notes to financial statements are an integral part of this statement of income.

EXHIBIT B

CITY AND COUNTY OF SAN FRANCISCO  
WATER DEPARTMENT AND HETCH HETCHY PROJECT

COMBINING STATEMENT OF SURPLUS  
FOR THE YEAR ENDED JUNE 30, 1957

	COMBINED	WATER DEPARTMENT	HETCH HETCHY PROJECT
BALANCE, JULY 1, 1956,.....	\$115,129,549.47	\$60,421,968.91	\$54,707,580.56
ADDITIONS:			
Excess of revenues over expenses (Exhibit B),	5,306,267.55	3,301,951.54	2,004,316.01
Advances from Federal government for			
Cherry Valley Reservoir,.....	63,619.28		63,619.28
Rental of camp buildings acquired by the			
1949 Cherry Valley Bond Fund,.....	<u>2,233.33</u>		<u>2,233.33</u>
Total,.....	\$120,501,669.63	\$63,723,920.45	\$56,777,749.18
DEDUCTIONS:			
Accumulated rental of Cherry Valley camp			
buildings applied in reduction of cost,....	<u>9,333.33</u>		<u>9,333.33</u>
Remainder,.....	\$120,492,336.30	\$63,723,920.45	\$56,768,415.85
INTERFUND TRANSFERS:			
Fixed capital in service transferred to the			
Water Department from the 1947 Hetch Hetchy			
Water Bond Fund,.....		\$ 487,690.80	(\$ 487,690.80)
1947 Hetch Hetchy Water Bond transactions			
applicable to properties in service with			
the Water Department:			
Bond redemption and interest contributed			
by the Water Department during the year,.		( 927,384.81)	927,384.81
Bonded indebtedness outstanding at			
April 1, 1957, transferred to the			
Water Department,.....		( 7,974,437.00)	7,974,437.00
Total interfund transfers,.....		<u>(\$ 8,414,131.01)</u>	<u>\$ 8,414,131.01</u>
BALANCE, JUNE 30, 1957,.....	\$120,492,336.30	\$55,309,799.44	\$65,182,546.86

EXHIBIT C

WATER DEPARTMENT AND HETCH HETCHY PROJECT

NOTES TO FINANCIAL STATEMENTS

NOTE:

1. Section 128 of the Charter of the City and County of San Francisco provides that the Public Utilities Commission shall make an appraisal of properties and a redetermination of depreciation every five years. All adjustments resulting from these appraisals, beginning with the initial appraisal as of June 30, 1938, and including the most recent appraisal as of June 30, 1953, have been given effect to in the accounts as of June 30, 1957. Additions to properties subsequent to June 30, 1953, have been recorded at cost. Depreciation for the year ended June 30, 1957, is based upon rates as set forth in the 1953 appraisal.

The Water Department's major construction projects in progress at June 30, 1957, have total estimated costs of \$6,394,000.00. Costs to complete these projects are estimated at \$3,683,408.24 at that date.

On November 8, 1955, the electors of the City and County of San Francisco approved a bond issue in the amount of \$54,000,000.00 for the acquisition, construction, and completion of Cherry and Canyon power projects in Tuolumne County, California. Bonds in the amount of \$10,000,000.00 were issued on April 1, 1957, and \$552,370.03 had been expended on engineering and preliminary construction work in connection with these projects as of June 30, 1957. It is anticipated that additional bonds will be issued and major construction contracts will be awarded during the year ending June 30, 1958. The Hetch Hetchy Project had no other major construction projects in progress as of June 30, 1957.

During the year ended June 30, 1957, as a result of a rate survey, the property, plant, and equipment of Hetch Hetchy Project, formerly classified as being applicable to either water supply or power supply, were reclassified as being water, power, or joint plant as indicated in the accompanying Schedule 1 of Exhibit A.

2. Revenues from water and power services furnished to consumers are taken into income when billed. In general, major industrial consumers of water and all consumers of electrical energy are billed monthly. All other consumers are billed bimonthly.

The combining statement of income, Exhibit B, does not include recorded revenues from water delivered to certain municipal departments without charge, which, if billed at regular rates, would have amounted to \$731,453.73, nor does the statement include a charge of an equal amount for municipal tax expense which is also included in the accounts of the Water Department. The amount of \$731,453.73 was computed and recorded in contra accounts in token of compliance with Section 64 of the Charter of the City and County of San Francisco which provides that the accounts of each utility shall be maintained in such manner as to show estimates of the amount of taxes chargeable against property and the revenue of the utility if the latter were privately owned and operated.

Certain consumers entered into contracts with the Spring Valley Water Company which contracts entitled these consumers to water at reduced rates or free of charge. These contracts were assumed by the Water Department upon acquisition of that company's facilities by the City and County of San Francisco. Based upon a legal opinion by the City Attorney that these contracts were illegal and unenforceable, the Water Department billed these consumers additional amounts representing the difference between the contract rates and scheduled rates as applied to water delivered under these contracts during the period from November 17, 1950, to June 30, 1957. Certain of these consumers filed claims against the City and County of San Francisco contesting the legality of the cancellation of these contracts, and for damages resulting therefrom. Reserves aggregating \$367,570.06 have been established by the Water Department to fully provide for possible adjustments of these additional charges. No provision has been made in the attached balance sheet for damages, if any, resulting from cancellation of these contracts.

CITY AND COUNTY OF SAN FRANCISCO  
 WATER DEPARTMENT AND HETCH HETCHY PROJECT  
 NOTES TO FINANCIAL STATEMENTS

3. The combined bonded debt of the City and County of San Francisco applicable to the Water Department and Hetch Hetchy Project aggregated \$67,622,000.00 at June 30, 1957. This indebtedness was incurred upon the general faith and credit of the City and County of San Francisco and is summarized as follows:

	<u>Matured</u>	<u>Unmatured</u>	<u>Total</u>
Water Department:			
Spring Valley, July 1, 1928 - 4-1/2%,.....	\$14,000.00	\$14,000,000.00	\$14,014,000.00
1947 Hetch Hetchy Water:			
Series A, February 1, 1948 - 2% and 2-1/2%,		448,800.00	448,800.00
Series D, November 1, 1949 - 1-1/4% and 1-1/2%,.....		5,560,000.00	5,560,000.00
Series E, September 1, 1950 - 1-1/4% and 1-1/2%,.....		833,814.00	833,814.00
Series F, August 1, 1953 - 2-1/4% and 2-1/2%,.....		1,131,823.00	1,131,823.00
Total Water Department,.....	\$14,000.00	\$21,974,437.00	\$21,988,437.00
Hetch Hetchy Project:			
Water, July 1, 1910 - 4-1/2%,.....	\$ 1,000.00	\$ 8,000,000.00	\$ 8,001,000.00
Hetch Hetchy Water, January 1, 1925 - 5%,...		3,000,000.00	3,000,000.00
Hetch Hetchy, July 1, 1928 - 4-1/2%,.....	1,000.00	12,600,000.00	12,601,000.00
Hetch Hetchy, June 1, 1932 - 2-3/4% to 5-3/4%	8,000.00	2,700,000.00	2,708,000.00
1947 Hetch Hetchy Water:			
Series A, February 1, 1948 - 2% and 2-1/2%,		3,676,200.00	3,676,200.00
Series E, September 1, 1950 - 1-1/4% and 1-1/2%,.....		2,379,186.00	2,379,186.00
Series F, August 1, 1953 - 2-1/4% and 2-1/2%,.....		223,177.00	223,177.00
Forward,.....	\$10,000.00	\$32,578,563.00	\$32,588,563.00



CITY AND COUNTY OF SAN FRANCISCO  
 WATER DEPARTMENT AND HETCH HETCHY PROJECT  
 NOTES TO FINANCIAL STATEMENTS

	<u>Matured</u>	<u>Unmatured</u>	<u>Total</u>
Total Water Department			
(Forward),.....	\$14,000.00	\$21,974,437.00	\$21,988,437.00
Hetch Hetchy Project			
(Continued),.....	\$10,000.00	\$32,578,563.00	\$32,588,563.00
1949 Cherry Valley Dam:			
Series A, March 1,			
1952 - 1-1/4% and			
1-1/2%,.....		640,000.00	640,000.00
Series B, December 1,			
1952 - 1-1/2% and			
1-3/4%,.....		2,405,000.00	2,405,000.00
1955 Hetch Hetchy Power -			
April 1, 1957 - 2-1/2%			
to 6%,.....		10,000,000.00	10,000,000.00
Total Hetch Hetchy			
Project,.....	\$10,000.00	\$45,623,563.00	\$45,633,563.00
Total,.....	\$24,000.00	\$67,598,000.00	\$67,622,000.00

In general, the bonds mature serially in varying annual amounts through the fiscal year ended June 30, 1978. A summary of maturities for the succeeding five years follows:

<u>Year Ending</u>	<u>Amount</u>
<u>June 30</u>	
1958,.....	\$5,222,000.00
1959,.....	5,222,000.00
1960,.....	5,222,000.00
1961,.....	5,222,000.00
1962,.....	5,062,000.00

4. The Water Department carries insurance coverage with insurance carriers against losses from boiler explosion, burglary, plate glass breakage, automobile public liability and property damage claims and casualty losses of buildings, with the exception of certain buildings having nominal values. The Water Department acts as self-insurer against other losses including other property casualty losses, other public liability and property damage claims, and workmen's compensation claims.

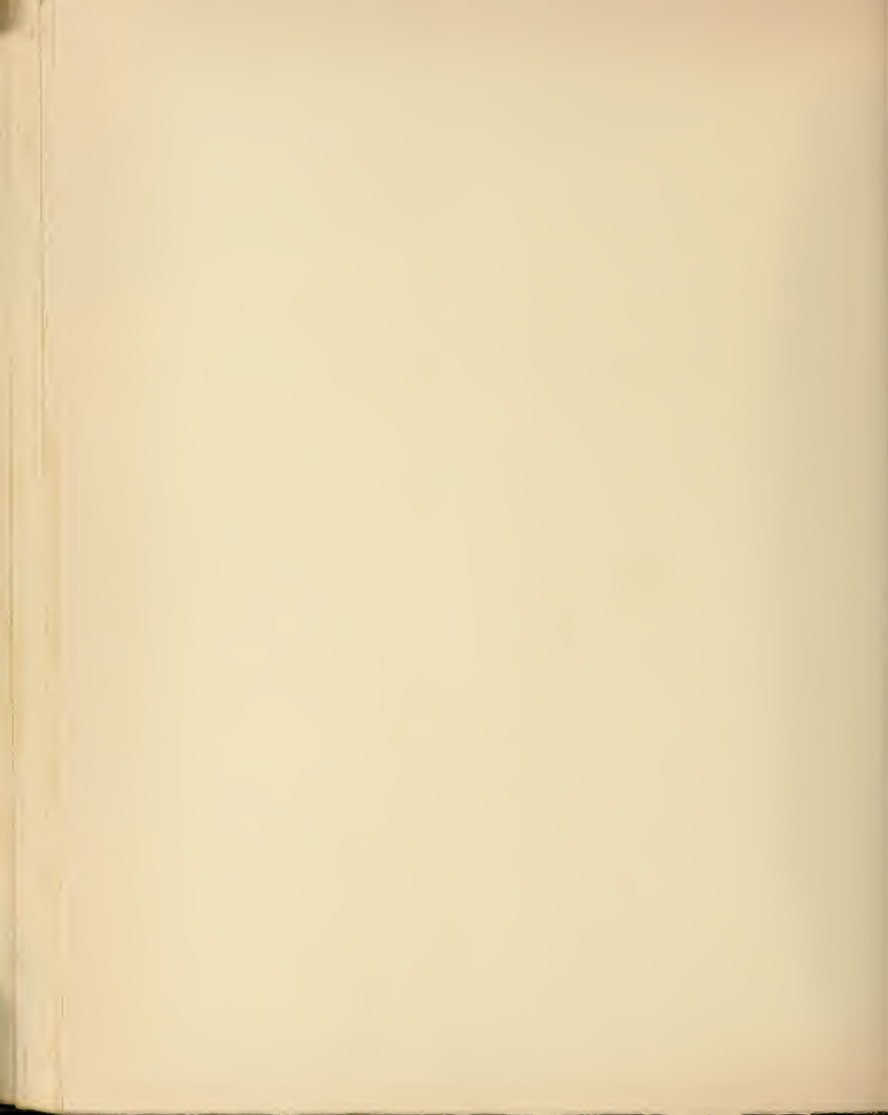


CITY AND COUNTY OF SAN FRANCISCO  
WATER DEPARTMENT AND HETCH HETCHY PROJECT  
NOTES TO FINANCIAL STATEMENTS

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The Hetch Hetchy Project carries insurance coverage with insurance carriers against losses from public liability and property damage claims and casualty losses of buildings, with the exception of certain buildings having nominal values. The Hetch Hetchy Project acts as self-insurer against other losses, including other property casualty losses and workmen's compensation claims.

5. Under provision of Section 122 of the Charter of the City and County of San Francisco, the Hetch Hetchy Project is to be merged, upon its completion, with the Water Department. In the opinion of the City Attorney, this project had not been completed at June 30, 1957.
6. The Water Department was contingently liable as of June 30, 1957, under various property damage, personal injury, and water rate suits. The Hetch Hetchy Project was contingently liable as of that date under various suits for alleged damages to wells and springs, and personal injury. The aggregate amount of actual liability on these suits is indeterminable as of the date of this report.



# Municipal Railway of San Francisco



REPORT ON EXAMINATION

FOR THE YEAR ENDED

JUNE 30, 1957

HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

120 MONTGOMERY STREET  
SAN FRANCISCO 4

September 19, 1957.

Honorable H. D. Ross,  
Controller, City and County  
of San Francisco,  
San Francisco, California.

Dear Sir:

We have examined the financial statements of the  
Municipal Railway of San Francisco for the year ended June 30,  
1957, listed below:

Balance Sheet, June 30, 1957 (Exhibit A).

Summary of Fixed Capital - Road and  
Equipment for the Year Ended June 30,  
1957 (Schedule 1).

Summary of Accumulated Depreciation of  
Fixed Capital - Road and Equipment  
for the Year Ended June 30, 1957  
(Schedule 2).

Unmatured Bonded Debt, June 30, 1957  
(Schedule 3).

Statement of Income for the Years Ended  
June 30, 1957 and 1956, and Comparison  
(Exhibit B).

Statement of Surplus for the Year Ended  
June 30, 1957 (Exhibit C).

Notes to Financial Statements.

Our examination was made in accordance with generally accepted  
auditing standards, and accordingly included such tests of the  
accounting records and such other auditing procedures as we con-  
sidered necessary in the circumstances.

In our opinion, the accompanying balance sheet and

related statements of income and surplus present fairly the financial position of the Municipal Railway of San Francisco at June 30, 1957 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

We present the following comments:

### OPERATIONS

Operations for the year ended June 30, 1957 resulted in a loss of \$1,929,892.49 as compared with a loss of \$1,655,194.96 for the preceding year. These results, which are set forth in detail in Exhibit B, are summarized and compared as follows:

	... Year Ended June 30...		Increase
	1957	1956	(Decrease)
Operating income:			
Passenger revenue.....	\$20,033,834	\$20,252,610	\$(218,776)
Advertising, rents, etc...	208,428	203,411	5,017
Total operating income.	\$20,242,262	\$20,456,021	\$(213,759)
Operating expenses.....	21,973,174	21,958,369	14,805
Loss from operations.....	\$ 1,730,912	\$ 1,502,348	\$ 228,564
Other expense.....	294,280	239,892	54,388
Total.....	\$ 2,025,192	\$ 1,742,240	\$ 282,952
Other income.....	95,300	87,045	8,255
Net loss.....	<u>\$ 1,929,892</u>	<u>\$ 1,655,195</u>	<u>\$ 274,697</u>

The information for 1956 was taken from a report prepared by other accountants.

Statistical records of the Railway show the mileage traveled during the past two years by the various types of equipment operated as follows:

Type of Equipment	.....Year Ended June 30.....		.....1956.....		Increase (Decrease) Mileage
	<u>Mileage</u>	<u>Per Cent of Total</u>	<u>Mileage</u>	<u>Per Cent of Total</u>	
Electric street-cars:					
Two-man.....	1,844,002	6.79	2,256,787	8.18	(412,785)
One-man.....	1,774,549	6.53	1,785,633	6.48	(11,084)
Total.....	3,618,551	13.32	4,042,420	14.66	(423,869)
Motor coaches...	13,999,127	51.54	13,649,522	49.51	349,605
Trolley coaches	9,175,785	33.78	9,402,570	34.11	(226,785)
Cable cars.....	367,899	1.36	473,868	1.72	(105,969)
Total....	<u>27,161,362</u>	<u>100.00</u>	<u>27,568,380</u>	<u>100.00</u>	<u>(407,018)</u>

Operating income and expenses are expressed in cents per mile of operation as follows:

	.....Cents Per Mile.....		Increase (Decrease)
	Year Ended June 30 1957	1956	
Operating income:			
Passenger revenue.....	73.759	73.463	.296
Advertising, rents, etc.....	.767	.738	.029
Total operating income	<u>74.526</u>	<u>74.201</u>	<u>.325</u>
Operating expenses:			
Maintenance and repairs:			
Way and structures.....	2.793	2.655	.138
Equipment.....	8.198	8.130	.068
Total.....	<u>10.991</u>	<u>10.785</u>	<u>.206</u>
Power.....	6.906	7.258	(.352)
Conducting transportation.....	41.075	40.336	.739
General and miscellaneous.....	8.834	8.782	.052
Payroll taxes.....	.900	.838	.062
Total.....	<u>68.706</u>	<u>67.999</u>	<u>.707</u>
Provision for accident claims.....	5.532	5.510	.022
Depreciation.....	3.836	5.076	(1.240)
Rent of leased coaches.....	2.825	1.065	1.760
Total operating expenses.....	<u>80.899</u>	<u>79.650</u>	<u>1.249</u>
Loss from operations.....	<u>6.373</u>	<u>5.449</u>	<u>.924</u>

Operating income - passenger revenue in 1957 was \$218,776 less than 1956. The decrease was caused by a .67% decrease in number of revenue passengers carried and a minor decrease in the average fare for the year. The effect of these factors on total passenger revenue is shown in the following:

Decrease in revenue due to decrease in number of revenue passengers carried (967,980, times the average fare of the preceding year, or \$.141441).....	\$136,912
Decrease in revenue due to decrease in average fare (number of revenue passengers carried during the year, 142,219,916, times the decrease in the average fare of (\$.000576)).....	<u>81,864</u>
Total.....	<u>\$218,776</u>

The increase and decrease in operating expenses for 1957 as compared with 1956 for each of the major account classifications, segregated between payroll and other costs, are tabulated as follows:

	Increase (Decrease)		
	.....In Operating Expenses.....		
	Total	Payroll	Other
Maintenance and repairs:			
Way and structures.....	\$ 26,652	\$ 15,632	\$ 11,020
Equipment.....	(14,591)	57,836	(72,427)
Total.....	\$ 12,061	\$ 73,468	\$ (61,407)
Power.....	(125,202)	12,078	(137,280)
Conducting transportation.....	36,564	38,620	(2,056)
General and miscellaneous.....	(21,830)	33,287	(55,117)
Payroll taxes.....	13,425		13,425
Total.....	\$ (84,982)	\$157,453	\$ (242,435)
Provision for accident claims...	(16,408)		(16,408)
Depreciation.....	(357,453)		(357,453)
Rent of leased coaches.....	473,648		473,648
Increase (decrease) in operating expenses.	<u>\$ 14,805</u>	<u>\$157,453</u>	<u>\$ (142,648)</u>

Payroll costs in 1957 were more than 1956 owing to increases in rates of pay effective July 1, 1956. The comparative rates applicable to the principal payroll classifications follow:

<u>Classification</u>	<u>Number Employed*</u>	<u>Period</u>	<u>Rates Effective ..During Fiscal Year..</u>	
			<u>1956-57</u>	<u>1955-56</u>
Platform men.....	1950	Hour	\$ 2.10**	\$ 2.04
Trackmen.....	46	Day	18.60	17.40
Shop mechanics.....	35	Day	18.87	17.35
Senior shop mechanics.	95	Day	22.20	21.00
Automotive mechanics..	65	Week	107.50	103.50
Automotive machinists.	40	Week	112.50	108.50
Car cleaners and janitors.....	98	Month	\$285-\$330	\$265-\$310
Inspectors.....	105	Month	385- 445	370- 420
General clerks.....	96	Month	285- 340	270- 325

\* In accordance with wage and salary ordinance for 1956-57.

\*\* If employed prior to January 11, 1955.

Non-payroll costs for maintenance and repairs of equipment decreased \$72,427 in 1957 as compared with 1956 mainly as a result of the substitution of additional new leased diesel coaches for older motor coaches and two-man streetcars which were retired. Also contributing to this decrease was the decline in total miles traveled by the various types of equipment.

The decrease in power expenses, other than payroll costs, consisted of the following:

Decrease in cost of electricity used in streetcar, trolley coach, and cable car operations.....	\$ 39,369
Decrease in cost of gasoline and diesel fuels used in motor coach operations.....	<u>109,529</u>
Total.....	\$148,898
Less increase in miscellaneous other non- payroll power expenses.....	<u>11,618</u>
Decrease in power expenses.....	<u>\$137,280</u>



Statistical records of the Railway indicated that the electrical power cost decrease was primarily due to the types of equipment involved having been in service 98,821 fewer hours than in the preceding year; the rates per kilowatt hour remaining substantially constant.

The decrease in motor coach fuel costs resulted from the additional new leased diesel coaches put into service during the year in place of other motor coaches. The Railway's statistical records included the following data:

	.....Year Ended June 30.....			
	.....1957.....		.....1956.....	
	Diesel	Other	Diesel	Other
	<u>Coaches</u>	<u>Coaches</u>	<u>Coaches</u>	<u>Coaches</u>
Total miles traveled	6,703,705	7,295,422	2,558,076	11,091,446
Cost per mile.....	\$.04376	\$.08465	\$.04458	\$.08172

The net decrease in fuel costs may be analyzed as follows:

Decrease due to operating other coaches fewer miles during the year (3,796,024 times the cost per mile of the preceding year, \$.08172).....	\$310,211
Increase due to operating diesel coaches more miles than in the preceding year (4,145,629 times the cost per mile of the preceding year, or \$.04458).....	(184,812)
Increase due to the higher cost per mile in operating other coaches (number of miles traveled during the year, 7,295,422, times the increase in the cost per mile of \$.00293).....	(21,367)
Decrease due to the lower cost per mile in operating diesel coaches (number of miles traveled during the year, 6,703,705, times the decrease in the cost per mile of \$.00082).....	5,497
Net decrease in motor coach fuel costs..	<u>\$109,529</u>

The principal cause for the decrease of \$55,117 in general and miscellaneous expense other than payroll costs, was a rate reduction in the pension contribution to the Retirement System of approximately 1/2 of 1% of gross payrolls. This reduction amounted to approximately \$72,000 and was partially offset by increases in other miscellaneous expenses.

The decrease in depreciation expense of \$357,453 was due to assets becoming fully depreciated during the prior year and these assets either were continued in use or replaced by leased equipment.

Rent of leased coaches increased \$473,648. The increase was caused by the additional miles these coaches were operated during the year, inasmuch as rentals are paid in advance and are charged to operations on a per-mile basis.

### FINANCIAL POSITION

The financial position of the Railway at June 30, 1957, presented in detail in Exhibit A, is summarized and compared with the financial position at June 30, 1956 in the following statement:

	.....June 30.....		Increase
	1957	1956	(Decrease)
<b>Assets:</b>			
Fixed capital (net book value).....	\$ 15,764,149.24	\$16,363,553.66	\$ (599,404.42)
Cash.....	4,690,104.49	3,847,228.46	842,876.03
Accounts receivable...	73,452.37	89,196.14	(15,743.77)
Deferred charges:			
Materials and supplies.....	672,163.98	651,765.88	20,398.10
Prepaid rentals of leased coaches....	1,142,859.89	789,001.01	353,858.88
Commitments.....	1,327,583.44	217,396.08	1,110,187.36
Other.....	12,792.20	24,814.54	(12,022.34)
Total.....	<u>\$ 23,683,105.61</u>	<u>\$21,982,955.77</u>	<u>\$ 1,700,149.84</u>
<b>Liabilities:</b>			
Bonded debt.....	\$ 10,670,200.00	\$12,269,200.00	\$(1,599,000.00)
Bond interest payable.	79,471.65	87,968.31	(8,496.66)
Accounts payable, commitments, etc....	3,274,710.61	1,633,195.62	1,641,514.99
Estimated liabilities.	2,835,350.03	2,738,586.37	96,763.66
Deferred credits.....	12,177.64	8,246.31	3,931.33
Contributed surplus...	17,867,272.31	14,371,943.30	3,495,329.01
Deficit from operations.....	(11,056,076.63)	(9,126,184.14)	(1,929,892.49)
Total.....	<u>\$ 23,683,105.61</u>	<u>\$21,982,955.77</u>	<u>\$ 1,700,149.84</u>

The information for 1956 was taken from a report prepared by other accountants.

The increase in cash at June 30, 1957 as compared with June 30, 1956 was accounted for as follows:

Funds provided:

Contributions from General Fund of the City and County of San Francisco - from general taxes for operating expenses.....	83,495,329.01
Proceeds from the sale of fixed capital assets.....	25,129.52
Increase in accounts payable.....	1,641,514.99
Increase in estimated liabilities - net.....	96,763.66
Increase in deferred credits.....	3,931.33
Decrease in construction in progress.....	21,805.08
Decrease in accounts receivable.....	15,743.77
Total funds provided.....	<u>\$5,300,217.36</u>

Funds applied:

Loss for year.....	\$1,929,892.49
Less non-cash charges to operations:	
Depreciation.....	\$1,041,798.34
Loss on sale of fixed capital assets.....	20,568.37
Obsolescence of materials and supplies.....	<u>11,066.68</u>
Net funds applied to loss for year..	<u>\$ 856,459.10</u>
Additions to fixed capital assets.....	509,896.89
Redemption of bonded debt.....	1,599,000.00
Decrease in bond interest payable.....	8,496.66
Increase in deferred charges (other than materials and supplies) - net.....	1,452,023.90
Increase in materials and supplies, including valuation adjustment of \$11,066.68 charged to operations - see above.....	<u>31,464.78</u>
Total funds applied.....	<u>\$4,457,341.33</u>
Increase in cash at June 30, 1957.....	<u>\$ 842,876.03</u>

FIXED CAPITAL (Less accumulated depreciation, \$22,947,094.54) - \$15,764,149.24

The recorded value of the Railway's investment in fixed capital assets, other than construction work in progress, at June 30, 1957, and the related accumulated depreciation are set forth in Schedules 1 and 2.

The fixed capital assets are recorded in the accounts principally at appraisal valuations as of various dates determined by the Public Utilities Commission of the City and County of San Francisco.

With the exception of the Market Street Extension which was recorded at appraised valuations as of September 29, 1944, additions to property, subsequent to June 30, 1938, were recorded substantially at cost. Acquisitions of property prior to June 30, 1938 were recorded at appraised valuations as of that date. California Street Cable Railway Company properties were purchased for \$150,000 from general funds of the City and County of San Francisco and contributed to the Railway.

In accordance with the provisions of Section 128 of the Charter, an appraisal of the properties of the Railway was made as of June 30, 1953 to determine the probable useful life, the values, and the reasonable annual depreciation based upon a revision of the previous appraisal made as of June 30, 1948. During the fiscal years ended June 30, 1954 and 1955, the net adjustments to the recorded values and accumulated depreciation resulting from this appraisal were recorded.

In connection with the appraisal, the engineering report prepared by the Public Utilities Commission Engineers indicated that the recorded values of non-operated track, roadway, and underground conduit at June 30, 1953 amounted to \$2,497,988.49, all fully depreciated. Retirements of \$2,019,798.94 of the above assets and related depreciation have been made during the four years ended June 30, 1957 leaving a balance of \$478,189.55.

In addition, fully depreciated track, roadway, underground conduit, distribution system, poles, and fixtures with a recorded cost of \$570,823.60 were taken out of service during the year as a result of the substitution of leased diesel coaches for two-man street cars formerly used on the Geary Street line.

The Railway follows the practice of first recording depreciation of an addition to fixed assets in the year following that in which the asset is put in service and charging income with a full year's depreciation in the year of retirement.

Additions to road and equipment accounts during the year ended June 30, 1957 were as follows:

Way and Structures:

Installation of cable track curves at Hyde and Washington Streets and Hyde and Jackson Streets.....	\$180,543.13	
Reconstruction of feeder system on Chestnut Street.....	151,412.66	
Construction of turntable at Beach and Hyde Streets.....	119,394.40	
Relocation of overhead facilities for trolley coaches at Embarcadero turn-around loop....	25,202.01	
Relocation of overhead facilities for #5 Trolley Coach Line at new Exhibit Hall.....	8,602.08	
Relocation of overhead facilities for trolley coaches on Stockton Street from tunnel to Columbus Avenue.....	3,498.76	
Construction of waiting station at Euclid Avenue and Collins Street.....	2,218.67	
Miscellaneous.....	<u>3,150.87</u>	
Total.....		3494,022.56

Equipment:

Office equipment.....	\$ 3,802.62	
Shop equipment.....	<u>2,936.12</u>	
Total.....		6,738.74

Power:

Floor modification at Bryant Street sub-station.....	\$ 7,421.87	
Sub-station equipment.....	<u>1,713.70</u>	
Total.....		9,135.57
Total.....		<u><u>3509,896.83</u></u>

(See following page)

Recorded retirements to road and equipment accounts during the year ended June 30, 1957 are summarized in the following:

	<u>Road and Equipment</u>	<u>Accumulated Depreciation</u>
Way and Structures:		
Track, etc.:		
Columbus Avenue, Stockton Street to North Point, and North Point, Columbus Avenue to Van Ness Avenue...	\$ 147,943.89	\$ 143,883.54
Cable tracks on Washington Street, Hyde Street to Steiner Street, and on Steiner Street, Washington Street to Jackson Street.....	108,640.00	108,640.00
One track each on Fremont and First Streets between Market and Mission Streets.....	32,604.16	31,918.93
Ferry Loop trackage.....	22,770.00	22,770.00
Trolley poles:		
From Market Street Extension.....	112,656.45	107,023.63
Others.....	13,239.56	12,577.58
Subway along the Embarcadero.....	45,257.28	45,257.28
Overhead lines:		
Chestnut Street.....	17,709.88	15,053.40
Other.....	783.40	665.89
Lower Market Street distribution system..	7,230.00	6,517.63
Ferry Loop Pit.....	3,172.00	3,172.00
Land and building at Beach and Hyde Streets.....	2,037.00	1,537.00
Total.....	<u>\$ 514,043.62</u>	<u>\$ 499,016.88</u>
Equipment:		
Forty-nine motor coaches.....	\$ 606,458.57	\$ 598,213.45
Forty-one street cars.....	335,296.89	322,996.89
Six cable cars.....	65,158.35	65,158.35
Shop equipment.....	17,484.24	17,028.08
Furniture and office equipment.....	3,206.49	2,972.70
Total.....	<u>\$1,027,604.54</u>	<u>\$1,006,369.47</u>
Power - Power plant equipment at California Cable Division.....		
	\$ 211,256.00	\$ 201,819.92
Total.....	<u>\$1,752,904.16</u>	<u>\$1,707,206.27</u>

Under a lease agreement with the St. Louis Public Service Company, the Railway expects to take delivery of sixty-six used one-man street cars during the fiscal year ending June 30, 1958. It is anticipated that these street cars will replace the ninety-two presently owned and operated two-man cars which it is expected will be retired during the same period.



We understand that motor coaches owned by the Railway will be retired as new leased diesel coaches are delivered and put into service, the number to be retired being determined as fleet requirements dictate.

The Railway's rolling stock was composed of the following at June 30, 1957:

Street cars:		
Two-man.....	92	
One-man.....	<u>40</u>	
Total.....		132
Motor coaches:		
Owned.....	317	
Leased.....	<u>225</u>	
Total.....		542
Trolley coaches.....		389
Cable cars.....		<u>41</u>
Total.....		<u>1,104</u>

CASH - \$4,690,104.49

Cash at June 30, 1957 consisted of the following:

On deposit with the Treasurer of the City and County of San Francisco:		
Operating fund.....		\$4,605,361.86
1947 Municipal Railway Rehabilitation bond fund.....		68,047.63
Bond interest funds:		
1947 Municipal Railway Rehabilitation bond fund.....		1,217.50
Issue of December 1, 1913.....		232.50
Geary Street issue of 1910.....		22.50
Market Street issue of 1910.....		22.50
Bond redemption fund - Issue of December 1, 1913.....		<u>200.00</u>
Total on deposit with Treasurer.....		\$4,675,104.49
Revolving funds.....		<u>15,000.00</u>
Total.....		<u>\$4,690,104.49</u>

Funds on deposit with the Treasurer as shown by the Railway's records were reconciled to a copy of the Treasurer's report prepared by the audit staff of the Controller's Office.

Revolving fund bank accounts were verified by reconciliation with certifications obtained from depositaries. Cash funds were counted or were confirmed by correspondence with the custodians.

ACCOUNTS RECEIVABLE - \$62,635.63

The detail of accounts receivable at June 30, 1957 was as follows:

Fielder, Sorensen & Davis (advertising revenue) ..	\$19,736.71
United States Post Office Department (balance for quarter ended June 30, 1957 under contract to furnish transportation to mail carriers) .....	18,562.50
Lions International (transportation to members during June convention) .....	8,103.70
San Francisco Unified School District (charter services) .....	6,132.83
State of California (job reimbursement) .....	4,972.57
Pacific Gas and Electric Company (pole rental) ...	2,854.00
Other .....	<u>2,273.32</u>
Total .....	<u>\$62,635.63</u>

Requests for confirmation of the balances in their accounts as of June 30, 1957 were mailed by us to various debtors, and satisfactory replies were received for balances aggregating \$33,696.11. The remaining balances, except for those shown as "Other" were compared with evidence of collection during July and August 1957. It appears that no losses will be incurred in the collection of the accounts receivable at June 30, 1957.

MATERIALS AND SUPPLIES - \$672,163.98

The above represented the book valuation of inventories of materials and supplies aggregating \$672,162.98 and metal tokens carried in the accounts at the nominal amount of \$1.00.

The amount of materials and supplies inventories was determined by a tabulation of perpetual inventory records as of May 25, 1957, adjusted for subsequent receipts and issues to June 30, 1957. We were informed



that physical counts were made by employees at various times during the year and that perpetual inventory records were adjusted to such counts. The inventories are priced at cost, determined by a moving average, or at estimated scrap or useful value if less than cost.

Our tests of the quantities in the inventory included a review of the perpetual records, as adjusted to employees' counts, and test counts of quantities selected at random. Inventory pricing and computations were also tested by us.

Based upon discussions with Railway employees, an additional amount of \$11,066.68 has been provided for estimated inventory obsolescence.

PREPAID RENTAL OF LEASED  
MOTOR COACHES - \$1,142,859.89

On May 16, 1955 the Railway entered into a contract with the Mack Motor Truck Corporation for the lease of a minimum of 440 diesel motor coaches, deliveries to be made, as scheduled in the agreement, over a period commencing December 1, 1955 and ending July 31, 1960. As of June 30, 1957, 225 coaches had been received and placed in service. The coaches have operated 9,261,781 miles, and the above amount which consisted of advanced rental, interest, freight, and use taxes, will be applied to future miles of operation.

ESTIMATED LIABILITY FOR ACCIDENT CLAIMS - \$2,649,416.78

Changes in this account during the year ended June 30, 1957 were as follows:

Balance, July 1, 1956.....	\$2,595,595.45
Provision for accidents.....	<u>1,502,537.58</u>
Total.....	\$4,098,133.03

Less:

Claims paid and miscellaneous expenses, net of recoveries from insurance carriers....	\$980,155.92
Services of City Attorney's office.....	129,726.95
Claims department payroll.....	178,435.98
Cost of excess liability insurance coverage	<u>160,397.40</u>
	<u>1,448,716.25</u>
Balance, June 30, 1957.....	<u>\$2,649,416.78</u>

Provision for accident claims has for several years been made on the basis of 7-1/2% of gross passenger revenue. Our examination of the history of claims presented compared with claim payments indicated that the balance at June 30, 1957 appeared adequate to meet payments reasonably to be expected under claims unsettled at June 30, 1957.

It should be noted, however, that in view of the continuing decline in passenger revenue, with no accompanying decrease in accident claims presented, and the continuing increase in claim awards, future consideration should be given to an upward adjustment of the provision rate in order to preserve the adequacy of the account balance.

ESTIMATED LIABILITY FOR EMPLOYEES'  
COMPENSATION CLAIMS - \$185,100.00

The amount of this account has been established on the basis of information with respect to the aggregate of compensation claims of employees estimated to be outstanding at June 30, 1957, as furnished by the City and County of San Francisco Employee Retirement System.

Yours truly,

*Haskins & Sells*

## MUNICIPAL RAILWAY OF SAN FRANCISCO

BALANCE SHEET, JUNE 30, 1957

ASSETS

FIXED CAPITAL (Note 1):  
 Road and equipment (Schedule 1)..... \$36,431,104.57  
 Less accumulated depreciation  
 (Schedule 2)..... 22,917,094.54  
 Road and equipment - net..... \$15,486,010.03  
 Construction in progress..... 280,139.21  
 Total fixed capital..... \$15,766,149.24

CASH:  
 On deposit with Treasurer..... \$ 4,675,104.49  
 Revolving funds..... 15,000.00  
 Total cash..... 4,690,104.49

ACCOUNTS RECEIVABLE:  
 Due from General City and County..... \$ 8,344.64  
 Due from other public service enterprises  
 Total interfund accounts receivable..... 2,472.10  
 10,816.74

DEFERRED CHARGES:  
 Materials and supplies - principally at  
 average cost and at estimated scrap or  
 useful value..... \$ 672,153.98  
 Prepaid rental of leased motor coaches..... 1,142,659.89  
 Prepaid insurance premiums and other  
 deferred charges..... 12,792.20  
 Uncompleted contracts (see Note 1),  
 and other..... 1,327,583.44  
 Total deferred charges..... 3,155,399.51

TOTAL..... \$23,683,105.61

LIABILITIES

BONDED DEBT:  
 Unmatured bonds (Schedule 3):  
 Maturing within one year..... \$ 1,634,000.00  
 Maturing subsequent to June 30, 1958..... 9,036,000.00  
 Total..... \$10,670,000.00  
 Matured bonds not presented for payment..... 200.00  
 Total bonded debt..... \$10,670,200.00

BOND INTEREST PAYABLE:  
 Accrued but not due..... \$ 77,976.65  
 Matured coupons not presented for payment..... 1,495.00  
 Total bond interest payable..... 1,495.00  
 ACCOUNTS PAYABLE, ACCRUED LIABILITIES, AND COMMITMENTS:  
 Outstanding warrants and payroll  
 deductions..... \$ 1,167,026.92  
 General creditors..... 739,286.15  
 General California use tax..... 115,488.05  
 Accrued social security taxes..... 37,712.14  
 Uncompleted contracts (see Note 1),  
 and other..... 1,327,583.44  
 Total accounts payable, accrued  
 liabilities, and commitments..... 2,877,076.70

INTERFUND ACCOUNTS PAYABLE:  
 Due to General City and County..... \$ 322,677.16  
 Due to other public service enterprises..... 74,956.75  
 Total interfund accounts payable..... 397,633.91

ESTIMATED LIABILITIES (reserves):  
 Accident claims..... \$ 2,649,416.78  
 Employees' compensation claims..... 185,100.00  
 Outstanding tokens..... 833.25  
 Total estimated liabilities..... 2,835,350.03

DEFERRED CREDITS:  
 SURPLUS (Exhibit C):  
 Contributed surplus..... \$17,867,272.31  
 Less deficit from operations..... 11,056,076.63  
 6,811,195.68

TOTAL..... \$23,683,105.61

The accompanying Notes to Financial Statements are an integral part of this statement.

## MUNICIPAL RAILWAY OF SAN FRANCISCO

STATEMENT OF INCOME  
FOR THE YEARS ENDED JUNE 30, 1957 AND 1956, AND COMPARISON

	.....YEAR ENDED JUNE 30.....		INCREASE (DECREASE)
	1957	1956*	
<b>OPERATING INCOME:</b>			
Passenger revenue.....	\$20,033,834.37	\$20,252,609.60	\$(218,775.23)
Advertising revenue.....	155,268.57	155,466.70	(198.13)
Rents.....	17,148.52	16,718.01	430.51
Other.....	36,010.97	31,226.84	4,784.13
Total.....	<u>\$20,242,262.43</u>	<u>\$20,456,021.15</u>	<u>\$(213,758.72)</u>
<b>OPERATING EXPENSES:</b>			
Maintenance and repairs:			
Way and structures.....	\$ 758,603.42	\$ 731,950.84	\$ 26,652.58
Equipment.....	2,226,831.23	2,241,422.40	(14,591.17)
Total.....	<u>\$ 2,985,434.65</u>	<u>\$ 2,973,373.24</u>	<u>\$ 12,061.41</u>
Power.....	1,875,848.67	2,001,050.20	(125,201.53)
Conducting transportation.....	11,156,425.62	11,119,861.24	36,564.38
General and miscellaneous.....	2,399,174.47	2,421,004.70	(21,830.23)
Payroll taxes.....	244,501.86	231,077.18	13,424.68
Total.....	<u>\$18,661,385.27</u>	<u>\$18,746,366.56</u>	<u>\$ (84,981.29)</u>
Provision for accident claims.....	1,502,537.58	1,518,945.72	(16,408.14)
Depreciation (Schedule 2).....	1,041,798.34	1,399,251.37	(357,453.03)
Rent of leased coaches.....	767,452.70	293,805.09	473,647.61
Total.....	<u>\$21,973,173.89</u>	<u>\$21,958,368.74</u>	<u>\$ 14,805.15</u>
LOSS FROM OPERATIONS.....	<u>\$ 1,730,911.46</u>	<u>\$ 1,502,347.59</u>	<u>\$ 228,563.87</u>
<b>OTHER EXPENSES:</b>			
Interest on bonded debt.....	\$ 200,922.05	\$ 227,698.57	\$ (26,776.52)
Loss on fixed capital assets retired...	40,814.13	11,420.02	29,394.11
Obsolescence of materials and supplies.	11,066.68	6,291.62	4,775.06
Net adjustments to prior years' losses.	41,477.74	(5,518.06)	46,995.80
Total.....	<u>\$ 294,280.60</u>	<u>\$ 239,892.15</u>	<u>\$ 54,388.45</u>
OTHER INCOME:			
Interest on bank balances.....	\$ 27,233.25	\$ 27,642.60	\$ (409.35)
Gains from sales of fixed capital assets, proceeds from sale of scrap, and sundry income.....	68,066.32	59,402.18	8,664.14
Total.....	<u>\$ 95,299.57</u>	<u>\$ 87,044.78</u>	<u>\$ 8,254.79</u>
NET LOSS.....	<u>\$ 1,929,892.49</u>	<u>\$ 1,655,194.96</u>	<u>\$ 274,697.53</u>

The accompanying Notes to Financial Statements  
are an integral part of this statement.

\*The figures for the year ended June 30, 1956 are presented, for the purpose of comparison, as shown by the report of other accountants, and are not covered by the accompanying accountants' opinion.

MUNICIPAL RAILWAY OF SAN FRANCISCOSTATEMENT OF SURPLUS  
FOR THE YEAR ENDED JUNE 30, 1957

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## CONTRIBUTED SURPLUS:

Balance, July 1, 1956.....	\$14,371,943.30	
Contributions from General Fund of the City and County of San Francisco - from general taxes.....	<u>3,495,329.01</u>	
Balance, June 30, 1957.....		\$17,867,272.31

## DEFICIT FROM OPERATIONS:

Balance, July 1, 1956.....	\$ 9,126,184.14	
Net loss for year.....	<u>1,929,892.49</u>	
Balance, June 30, 1957.....		<u>11,056,076.63</u>

NET SURPLUS, JUNE 30, 1957.....		<u>\$ 6,811,195.68</u>
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The accompanying Notes to Financial Statements  
are an integral part of this statement.

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NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1957

1. FIXED CAPITAL

Fixed capital - road and equipment - is stated at appraisal valuations as of June 30, 1953 plus subsequent additions at cost. Accumulated depreciation is stated at amounts determined by appraisal as of June 30, 1953 plus subsequent additions at rates based upon the estimated useful lives of the various classes of assets as determined by the appraisal or estimated for capital additions acquired subsequent to the appraisal.

No city or county property taxes or franchise taxes are paid by the Railway in the operation of its business.

The fixed capital accounts at June 30, 1957 include non-operated track, roadway, underground conduit, distribution system, poles, and fixtures, fully depreciated, in the aggregate amount of approximately \$1,450,000. The amount of non-operated facilities included in other fixed capital classifications has not as yet been determined by the Railway.

The provision for depreciation of fixed capital for the year ended June 30, 1957 amounted to \$1,041,798.34.

Certain of the motor coaches in operation are leased and under the terms of the contract additional coaches are to be leased and placed in operation. Each fleet of coaches is leased to the Railway for a period of six years with annual rentals computed on a mileage basis. Total rentals and related charges paid by the Railway for the coaches in operation amounted to \$767,452.70 for the year ended June 30, 1957. The Railway also has entered into an agreement to lease, on a mileage basis, electric one-man streetcars to be delivered subsequent to June 30, 1957.

2. PENSION PLAN

The Railway, as a part of the City and County of San Francisco, has a compulsory retirement plan for full-time employees. The Retirement System is financed by contributions from the employees and the Railway through the City and County of San Francisco. Payments to the Retirement System for benefits, charged to income for the year ended June 30, 1957, amounted to approximately \$950,000, and were made in amounts on the basis of actuarial computations adequate to provide pensions for employees upon retirement. Amounts payable for past-service benefits were the liability of the City and County of San Francisco.



MUNICIPAL RAILWAY OF SAN FRANCISCO

SUMMARY OF FIXED CAPITAL - ROAD AND EQUIPMENT  
FOR THE YEAR ENDED JUNE 30, 1957

	BALANCE JULY 1, 1956	ADDITIONS	RETIREMENTS	RECLASSIFICATIONS	BALANCE JUNE 30, 1957
<b>WAY AND STRUCTURES:</b>					
Right of way.....	\$ 157,632.33				\$ 157,632.33
Other land.....	1,132,369.70				1,131,869.70
Grading.....	711,512.74	\$ 9,398.15	\$ 500.00		686,756.73
Pallast.....	355,564.76		34,154.16		346,931.91
Ties.....	225,208.47		8,632.81		220,292.88
Rails, rail fastenings, and joints.....	1,175,252.47		4,915.59		1,145,600.29
Special track work.....	433,564.32		34,789.25		435,936.00
Underground construction.....	1,505,652.57	201,914.28	40,430.70		1,640,316.85
Track and roadway labor.....	1,631,225.34	20,383.88	67,250.00		1,617,137.44
Paving.....	1,227,013.90	12,885.77	34,411.78		1,178,058.53
Roadway machinery and tools.....	66,287.10		61,841.14		66,287.10
Tunnels and subways.....	14,987.49				14,987.49
Bridges, trestles, and culverts.....	4,334.85		45,257.28		4,334.85
Crossings, fences, and signs.....	49,370.29		7,230.00		4,113.01
Signals and interlocking apparatus.....	20,565.76				13,335.76
Communication systems.....	54,042.27	138.72			54,180.99
Poles and fixtures.....	1,535,082.27	27,297.70	125,896.01		1,436,483.96
Underground conduits.....	415,773.99	55,520.62	12,047.82		459,246.79
Distribution system.....	3,726,833.99	106,854.34	31,978.08		3,801,710.25
General office buildings - cable cars.....	21,080.00				21,080.00
Shops, carhouses, and garages.....	5,314,072.47	11,489.67	4,709.00		5,314,072.47
Stations - miscellaneous buildings and structures.....	167,306.53	\$494,022.58	\$ 514,043.62		174,087.20
<b>Total.....</b>	<b>\$19,346,733.61</b>				<b>\$19,324,712.57</b>
<b>EQUIPMENT:</b>					
Electric streetcars.....	\$ 2,096,780.64		\$ 215,355.40		\$ 1,881,425.24
Cable cars.....	394,159.83		65,138.35		329,021.48
Trailer coaches.....	5,735,840.00		606,450.57	\$ (16,147.60)	\$ 5,113,223.33
Tramway coaches.....	7,459,883.00				7,479,465.92
Power busses.....	155,984.02				155,984.00
Service equipment - electric.....	73,487.04				73,487.04
Electric equipment of streetcars and trolley coaches.....	1,009,698.63	\$ 2,946.12	119,941.49		889,757.14
Shop equipment.....	829,614.52		17,484.24		815,066.40
Furniture and office equipment.....	294,892.24	3,802.62	3,206.43		255,488.37
Automotive and miscellaneous service equipment.....	242,280.62			16,147.60	258,428.22
<b>Total.....</b>	<b>\$18,272,203.94</b>		\$1,027,604.54		<b>\$17,251,338.14</b>
<b>POWER:</b>					
Substation buildings.....	\$ 367,222.17	\$ 7,421.87			\$ 374,644.04
Power plant equipment - cable cars.....	361,962.00		\$ 211,256.00		150,706.00
Substation equipment.....	720,901.36	1,713.70			722,615.06
Transmission system.....	7,088.76				7,088.76
<b>Total.....</b>	<b>\$1,457,174.23</b>	\$ 9,135.57	\$ 211,256.00		<b>\$ 1,255,053.86</b>
<b>TOTAL.....</b>	<b>\$39,674,111.64</b>	<b>\$509,896.89</b>	<b>\$1,752,904.16</b>		<b>\$38,931,104.37</b>

Reference is made to Note 1 of Notes to Financial Statements.  
The balance, July 1, 1956 was taken from reports of other accounts.

## MUNICIPAL HIGHWAY OF SAN FRANCISCO

SUMMARY OF ACCUMULATED DEPRECIATION OF FIXED CAPITAL - ROAD AND EQUIPMENT  
FOR THE YEAR ENDING JUNE 30, 1957

	BALANCE		PROVISION		RETIREMENTS		RECLASSIFICATIONS		BALANCE	
	JULY 1, 1956		FOR YEAR						JUNE 30, 1957	
<b>WAY AND STRUCTURES:</b>										
Grading.....	\$	322,559.76	\$	30,621.85	\$	34,150.16			\$	313,027.47
Ballast.....		255,406.10		7,085.53		8,632.81				253,858.82
Ties.....		144,353.20		5,803.00		4,915.59				145,240.61
Poles, rail fastenings, and joints.....		803,519.66		22,630.91		32,906.44				793,244.13
Special track work.....		301,056.19		8,229.40		39,831.61				369,117.98
Underground construction.....		1,452,404.20		1,101.90		67,250.00				1,489,256.10
Track and roadway labor.....		829,154.73		56,926.25		34,411.78				851,669.20
Paving.....		844,618.18		27,495.90		61,841.14				810,272.94
Roadway machinery and tools.....		55,230.02		759.19						56,049.21
Tunnels and subways.....		14,937.49		108.37						15,045.86
Bridges, trestles, and culverts.....		3,359.47		228.34		45,257.28				3,467.84
Crossings, fences, and signs.....		47,107.05		923.36		6,317.63				2,078.11
Signals and interlocking apparatus.....		13,240.24		4,672.18						7,645.97
Communication systems.....		36,591.14		24,293.09		119,601.21				41,063.32
Poles and fixtures.....		842,448.93		7,444.76		747,146.81				747,146.81
Underground conduits.....		289,162.09		89,434.30		11,806.86				284,799.99
Distribution system.....		1,458,343.28		448.51		27,181.37				1,520,596.21
General office buildings - cable cars.....		20,407.30		104,496.00						20,855.81
Shops, carhouses, and garages.....		2,329,973.07		5,391.51		4,709.00				2,434,469.07
Stations - miscellaneous buildings and structures.....		76,688.62		398,100.35		499,016.98				77,571.13
<b>Total.....</b>	<b>\$10,140,670.74</b>	<b>\$</b>	<b>398,100.35</b>	<b>\$</b>	<b>499,016.98</b>	<b>\$10,039,754.21</b>				
<b>EQUIPMENT:</b>										
Electric streetcars.....	\$	1,329,369.97	\$	58,778.41	\$	207,155.40			\$	1,180,992.98
Cable cars.....		986,523.83		3,802.24		65,158.55				924,365.48
Motor coaches.....		5,672,572.11		487,044.82		596,213.45				5,062,167.30
Trolley coaches.....		3,203,132.96		9,650.95		3,630,173.30				3,630,173.30
Pave boxes.....		71,577.25		5,650.95		81,228.14				81,228.14
Service equipment - electric.....		72,379.31		13,352.63		72,532.63				72,532.63
Electric equipment of streetcars and trolley coaches.....		705,708.77		19,404.58		609,211.16				609,211.16
Shop equipment.....		192,708.36		30,094.64		17,028.08				595,854.92
Furniture and office equipment.....		197,464.36		6,847.21		2,972.70				197,536.40
Automotive and miscellaneous service equipment.....		170,264.39		13,732.17		15,997.60				199,994.16
<b>Total.....</b>	<b>\$12,307,577.06</b>	<b>\$</b>	<b>629,448.88</b>	<b>\$</b>	<b>629,448.88</b>	<b>\$11,006,369.47</b>				
<b>OTHER:</b>										
Substation buildings.....	\$	269,577.66	\$	6,178.96	\$	275,756.62			\$	275,756.62
Power plant equipment - cable cars.....		349,802.70		606.22		201,819.92				148,589.00
Substation equipment.....		458,140.29		7,063.93		465,204.22				465,204.22
Transmission system.....		6,734.02				6,734.02				6,734.02
<b>Total.....</b>	<b>\$1,084,254.67</b>	<b>\$</b>	<b>13,849.11</b>	<b>\$</b>	<b>201,819.92</b>	<b>\$896,283.86</b>				
<b>TOTAL.....</b>	<b>\$23,612,502.47</b>	<b>\$1,041,798.34</b>	<b>\$1,707,206.27</b>			<b>\$22,947,094.54</b>				

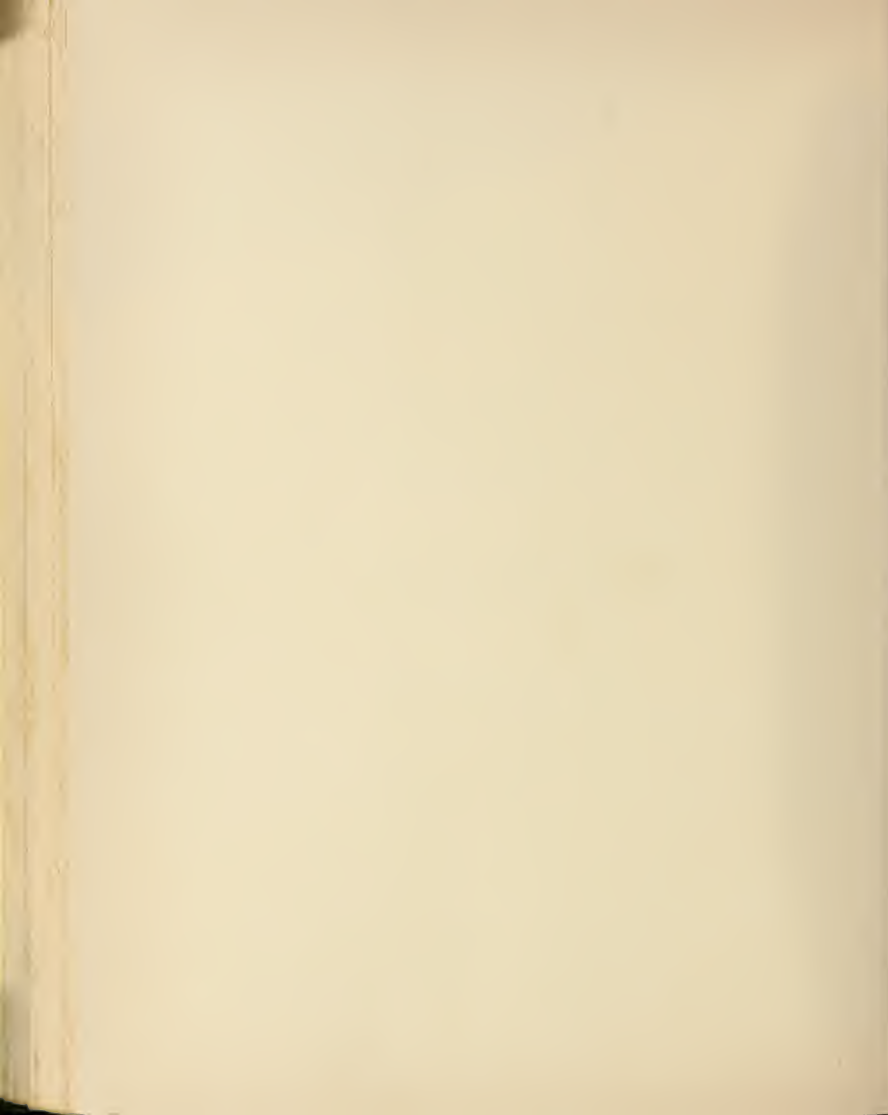
Reference is made to Note 1 of Notes to Financial Statements.

The balance, July 1, 1956 was taken from reports of other accountants.



## REHABILITATION ISSUE OF 1947:

UNMATURED BONDED DEBT		JUNE 30, 1957	
INTEREST RATES	PRINCIPAL AMOUNT OF ANNUAL MATURITIES	MATURITY DATES	...
			PRINCIPAL AMOUNT OUTSTANDING...
			JUNE 30, 1957
REHABILITATION ISSUE OF 1947:			
2%	\$433,000.00	February 1, 1958	\$ 433,000.00
2-1/2%	433,000.00	February 1, 1958-63	2,433,000.00
1-3/4%	359,000.00	August 1, 1957-58	\$1,118,000.00
2%	359,000.00	August 1, 1959-60	1,118,000.00
2%	599,000.00	August 1, 1961-63	1,680,000.00
2%	380,000.00	March 1, 1958	\$ 380,000.00
1-1/2%	400,000.00	March 1, 1959-64	2,400,000.00
1-1/2%	104,000.00	August 1, 1957-60	\$ 416,000.00
1-1/4%	104,000.00	August 1, 1961-64	416,000.00
1-1/2%	38,000.00	November 1, 1957-61	\$ 190,000.00
1-1/4%	38,000.00	November 1, 1962-64	114,000.00
1-1/2%	120,000.00	March 1, 1958-59	\$ 240,000.00
1-1/4%			
			10,670,000.00

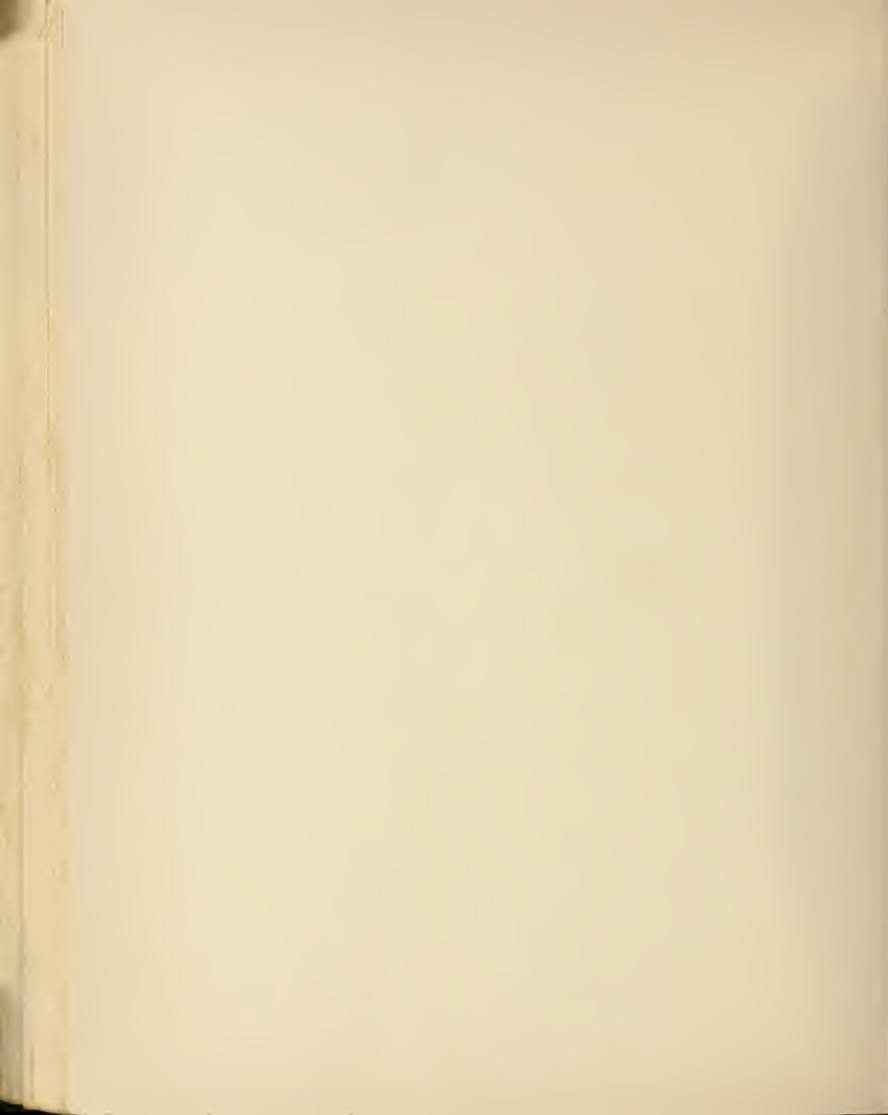


# San Francisco School Department

(A Unified School District)



REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 1957



BENJAMIN H. HICKLIN  
CERTIFIED PUBLIC ACCOUNTANT  
408 RUSS BUILDING  
SAN FRANCISCO 4

AUTHORIZED  
TAX SERVICE  
ACCOUNTING

October 25, 1957

Honorable Harry D. Ross, Controller  
City and County of San Francisco,  
San Francisco, California  
Dear Sir:

According to the terms of our engagement, we have examined the accounts and records of the San Francisco Unified School District for the fiscal year ended June 30, 1957.

There are presented herewith for your consideration:

EXHIBIT A COMBINED PROPRIETARY BALANCE SHEET - JUNE 30, 1957

EXHIBIT B STATEMENT OF SURPLUS - CURRENT FUND  
For the fiscal year ended June 30, 1957

EXHIBIT C STATEMENT OF SURPLUS - CAPITAL FUNDS  
For the fiscal year ended June 30, 1957

EXHIBIT D CURRENT FUND - COMPARATIVE STATEMENT OF REVENUE  
AND EXPENDITURES  
For the fiscal years ended  
June 30, 1957 and June 30, 1956

EXHIBIT E FUNDS BALANCE SHEET - JUNE 30, 1957

EXHIBIT F RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH  
FUNDS BALANCE SHEET AS OF JUNE 30, 1957

EXHIBIT G NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 1957  
together with Schedules 1 to 4, inclusive, in analysis thereof.

Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

Explanatory comments relative to the Exhibits and Schedules

listed above, follow:

COMBINED PROPRIETARY BALANCE SHEET - EXHIBIT A

CASH \$10,933,188 comprised the aggregate of School Fund balances on deposit with the Treasurer, cash transfers outstanding, Revolving Funds, the Hume Foundation, together with the Bond Interest and Redemption Funds applicable to School bonds issued by the City and County of San Francisco. These balances are summarized in Exhibit A, with details in Schedule 1 and Schedule 2. The following shows the fund balances at June 30, 1957 by groups:

Balances on Deposit with Treasurer -		
Current Fund - Exhibit A	\$	7 310 256
Capital Funds - Exhibit A		2 436 910
1948 School Bond Fund	\$	2 192 320
1956 School Bond Fund		60 000
Real Property Fund		<u>184 590</u>
Special Funds - Schedule 1		443 087
Child Care Centers		149 693
School Cafeterias		<u>293 394</u>
Trust Funds - Schedule 2		311 670
Withholding Tax		38 854
Teachers' Annuity		19 872
Teachers' Retirement		18 213
Teachers' Sabbatical Leave		2 302
Fund for Advancement of Education		192 861
Miranda Lux Foundation		28 177
Anna Steinberg Trust		1 150
Will C. Steinbrunn Bequest		10 176
Veterans' Education		<u>65</u>
Total Cash on Deposit with Treasurer	\$	10 501 923
Cash Transfers Outstanding - Exhibit A		409 188
Revolving Funds - Exhibit A		5 500
School District Revolving Funds		3 000
School Cafeteria Revolving Funds		<u>2 500</u>
Hume Foundation Trust Fund - deposited in American Trust Company - Exhibit A		<u>161</u>
Total School District Cash	\$	10 916 772

Forward

Forward \$ 10 916 772

Balances in the Bond Interest and Redemption Funds of the City and County of San Francisco- included in the Proprietary Balance Sheet as an offset to bonds and interest payable			16 416
Bonds matured	- unpaid - Schedule 1	\$ 13 000	
Bond interest matured-	unpaid - Schedule 1	3 416	

TOTAL CASH - JUNE 30, 1957 - EXHIBIT A	<u>\$ 10 933 188</u>
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Balances on deposit with the Treasurer are the balances of the various funds shown on the accounts of the Treasurer. Warrants drawn against those funds before July 1, 1957, but not presented to the Treasurer for payment before July 1, 1957 are shown as liabilities of the various funds in Exhibit A.

Cash transfers outstanding represents the aggregate of amounts in transfer between the various funds and were recorded as completed transactions on the School District ledger as of June 30, 1957, but the transfers were recorded in the accounts of the Treasurer after that date.

ACCOUNTS RECEIVABLE, \$1,071,099 represent amounts due to the Current Fund and Special Funds of the School District at June 30, 1957, as follows:

Delinquent taxes and penalties		\$ 280 200
Secured	\$ 280 200	
Unsecured	<u>483 297</u>	
Total taxes and penalties	\$ 763 497	
Less Reserve for unsecured taxes	<u>483 297</u>	
Other Accounts Receivable - Current Fund		736 999
Federal grant for school construction	500 213	
Tuition due from other counties and districts-		
Amount due, but not billed at June 30, 1957	147 483	
Tuition for prior years, not collected	482	
Federal subvention for aid to local education-		
estimated	60 000	
Federal subvention for vocational training of		
veterans	6 591	
Student teacher training program	8 890	
Disputed salary payments of prior years,		
recoverable at termination of employment	5 633	
Miscellaneous	<u>7 707</u>	

Forward

## Forward

Child Care Centers - State Apportionment	\$	4 916
School Cafeterias		48 984
Federal grant	\$ 40 606	
Undeposited sales receipts	8 241	
Miscellaneous	137	

TOTAL ACCOUNTS RECEIVABLE - JUNE 30, 1957 - EXHIBIT A \$ 1 071 099

Secured taxes and penalties have been recorded as assets and have been credited to income when assessed. All other accounts receivable have been recorded as assets, but have been offset by deferred credits and will be taken into income only after collection.

Federal grant for school construction, \$500,213, is the balance of a grant of \$1,250,531 for the construction of the Silver and Thomas Avenues Elementary School. Instalments are received on this grant as the construction of the school progresses.

INVENTORY - STORES - AT COST, \$739,751 comprises unissued supplies, furniture and equipment stored in various warehouses. Portions of the inventory were counted and reconciled with the general ledger at December 31, 1956, January 31, 1957, February 28, 1957, and March 31, 1957. The general ledger accounts were adjusted to agree with the physical inventories as of the dates of the inventory taking.

INVENTORY - SHOP - AT COST, \$33,059 comprises the following:

Refinished furniture, not reissued	\$ 6 885
Shop orders in process of completion	3 340
Materials and supplies	<u>22 834</u>

TOTAL INVENTORY - SHOP - JUNE 30, 1957 - EXHIBIT A \$ 33 059

FIXED CAPITAL PROPERTIES, \$110,242,898, is the aggregate recorded cost or valuation of land, buildings, improvements and equipment as shown by the Controller's records as of June 30, 1957. Net additions during the fiscal year ended June 30, 1957 and the accumulated ledger values



are summarized, as follows:

	<u>Total</u>	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Equipment</u>
<b>Additions per School</b>				
District records -				
1948 School Bond Fund	\$ 3 936 634	\$	\$ 3 807 178	\$ 129 456
1956 do do do	750		750	
Current Fund	1 011 858	25 453	499 179	487 226
Child Care Centers Fund	15 477			15 477
Real Property Fund	11 158	11 158		
<b>Total Additions</b>	<b>\$ 4 975 877</b>	<b>\$ 36 611</b>	<b>\$ 4 307 107</b>	<b>\$ 632 159</b>
<b>Deductions -</b>				
Net reduction due to properties sold or otherwise disposed of - (see explanatory note)	\$ 275 456	\$ 146 592	\$ 68 123	\$ 60 741
Other reconciling items	(592)	227	(685)	(124)
<b>Total Deductions</b>	<b>\$ 274 864</b>	<b>\$ 146 819</b>	<b>\$ 67 438</b>	<b>\$ 60 607</b>
<b>Net additions per</b>				
Controller's records for the fiscal year ended June 30, 1957	\$ 4 701 013	\$ (110 208)	\$ 4 239 669	\$ 571 552
Add accumulated ledger values at July 1, 1956	105 338 305	14 024 591	81 659 109	9 654 605
Add net adjustment per Real Estate Department valuation dated January 1, 1955	203 580	243 902	(40 322)	
<b>TOTALS - JUNE 30, 1957 - PER CONTROLLER'S RECORDS - EXHIBIT A</b>	<b>\$110 242 898</b>	<b>\$14 158 285</b>	<b>\$85 858 456</b>	<b>\$10 226 157</b>

Note - The reduction for land and buildings sold or otherwise disposed of includes \$73,917 applicable to the preceding fiscal year.

Note - Items in ( ) denote decreases.

We did not test the cost of additions acquired through the 1948 School Bond Fund or the 1956 School Bond Fund as these funds were subject to examination by the certified public accountants engaged to examine the Controller's records.

At June 30, 1957 Fire and General Coverage Insurance in force on the School District Properties was \$82,567,000. Effective July 1, 1957 it was increased to \$86,123,000. We obtained an independent verification that the coverage, as stated, was in force on the dates stated.

BOND INTEREST PAYABLE AND ACCRUED, \$229,699, represents:

Matured coupons - not presented by bondholders	\$ 3 416
Interest accrued - not due at June 30, 1957	<u>226 283</u>
Total	<u>\$ 229 699</u>

Interest on the School Bonds is not recorded on the ledger of the Unified School District because the School Bonds and the interest thereon are a general obligation of the City and County of San Francisco. The bonds and interest are shown on the Proprietary Balance Sheet, Exhibit A, because those obligations were incurred for the acquisition of the Fixed Properties of the School District. This practice has been followed in prior years and the interest accrued but not due, \$226,283, is recorded as a deferred charge at June 30, 1957.

DEFERRED CREDIT - PROVISION FOR SICK LEAVES AND VACATIONS EARNED, \$67,042, is the estimated obligation of the School District for the sick leaves and vacations earned by the Cafeteria employees before July 1, 1957.

BONDED DEBT, \$41,471,000, is the aggregate of School bonds outstanding at June 30, 1957, after considering the sales and redemptions during the fiscal year ended June 30, 1957, as shown by the Controller's

records, as follows:

	Int. Rate	Balance July 1, 1956	Sold	Redeemed	Balance June 30, 1957
AUTHORIZED IN 1922					
<u>Issued</u>					
Mar. 1, 1923	5.00%	\$ 3 301 000	\$	298 000	\$ 3 003 000*
AUTHORIZED IN 1948					
<u>Issued</u>					
Mar. 1, 1949-A	1.25	1 400 000		500 000	900 000
Mar. 1, 1949-A	1.50	3 000 000			3 000 000
Apr. 1, 1951-B	1.75	7 697 000		759 000	6 938 000**
Mar. 1, 1952-C	1.50	7 840 000		240 000	7 600 000
Dec. 1, 1952-D	1.75	9 250 000		250 000	9 000 000
Aug. 1, 1953-E	4.00	320 000		320 000	Nil
Aug. 1, 1953-E	2.50	3 840 000			3 840 000
Mar. 1, 1954-F	1.00	400 000		200 000	200 000
Mar. 1, 1954-F	1.25	1 000 000			1 000 000
Mar. 1, 1954-F	1.50	800 000			800 000
Mar. 1, 1954-F	1.75	400 000			400 000
Apr. 1, 1955-G	6.00	200 000		100 000	100 000
Apr. 1, 1955-G	1.75	3 700 000			3 700 000
Apr. 1, 1957	6.00		130 000		130 000
Apr. 1, 1957	2.25		130 000		130 000
Apr. 1, 1957	2.50		730 000		730 000
Totals		<u>\$43 148 000</u>	<u>\$990 000</u>	<u>\$2 667 000</u>	<u>\$41 471 000</u>

In November 1956 the citizens of the City and County of San Francisco authorized an additional bond issue of \$27,000,000, but none of that issue had been sold before July 1, 1957.

\* Includes \$ 3,000 matured but unpaid at June 30, 1957.

\*\* Includes \$10,000 matured but unpaid at June 30, 1957.

SURPLUS - EXCESS OF ASSETS OVER LIABILITIES - \$75,566,682 comprises the Current Surplus, Capital Surplus, Special Funds and Trust Funds detailed in Exhibit A and summarized as follows:

	Assets	Liabilities	Surplus
Current Fund	\$ 11 800 270	\$ 7 738 711	\$ 4 061 559
Capital Funds	114 743 191	43 678 106	71 065 085*
Special and Trust Funds	1 483 359	1 043 321	440 038
Totals	<u>\$128 026 820</u>	<u>\$52 460 138</u>	<u>\$75 566 682</u>

\* Principally represented by land, buildings and equipment.

## CONTINGENT LIABILITIES - INSURANCE

The School District does not carry general public liability insurance. The legal adviser of the School District advised us that he estimated the District's contingent liability for the school year 1957-58 would be \$100,000.

The School District does not carry workmen's compensation insurance covering employees other than those of the Child Care Centers. The Retirement Board of the City and County of San Francisco advised us that the unsettled workmen's compensation claims at June 30, 1957 approximated \$110,000.

We examined the insurance policies, other than fire, in force at June 30, 1957 which included the following:

Rental income - Lincoln Building - Fire and extended coverage. Actual rental not to exceed	\$ 354 000
Loss of specific property (camera and borrowed property)	2 513
Automobiles (including driver training program autos):	
Bodily injury (including non-ownership coverage)	\$200,000/500,000
Property damage	100,000
Fire and Theft	Cash value
Collision (driver training vehicles only)	\$100 deductible
Child Care Centers	
Bodily injury	\$100,000/1,000,000
Property damage	\$1,000/10,000
Boiler	
City College	500 000
High Schools - each	250 000
All other schools - each	100 000
Valuable records	
Other than monies and securities	50 000
Blanket fidelity bond - each loss	25 000
Additional fidelity bond coverage	
Superintendent of Schools	25 000
Chief of Budget Division	15 000
Supervisor of Accounts	6 000
Board of Education members - each	2 500
Workmen's compensation	Statutory
General liability - warehouse	\$100,000/200,000

# REVENUES AND EXPENDITURES

A Comparative Statement of Revenues and Expenditures of the Current Fund for the fiscal years ended June 30, 1957 and June 30, 1956 is presented in Exhibit D and Schedule 3. The following is a summary of the comparative statements:

REVENUES	Fiscal years ended		Increase (Decrease)
	June 30, 1957	June 30, 1956	
Property Taxes and Penalties *	\$25 512 989	\$22 033 650	\$3 479 339
State of California -			
School funds apportionment	11 781 289	11 477 905	303 384
Retirement subventions	1 018 652	993 476	25 176
Other Revenues	2 337 281	1 790 703	546 578
Total Revenues - Schedule 3	\$40 650 211	\$36 295 734	\$4 354 477
Less Total Operating Expenses	39 772 783	35 956 520	3 816 263
Balance	\$ 877 428	\$ 339 214	\$ 538 214
Less Net Capital Outlays from Current Fund	927 264	1 097 426	(170 162)
Excess of Expenditures over Revenues was deducted from Surplus	\$ (49 836)	\$ (758 212)	\$ (708 376)

\* The School District tax rates and assessed valuations for the tax years 1955-56 and 1956-57 were as follows:

1955-56 tax rate	\$1.754326	-	Assessed Valuation	\$1,264,197,531.
1956-57 do do	1.972106	-	do do	1,305,520,897.

Revenues from the State School Fund comprise apportionments based upon the average daily attendance, certain excess expenses of educating handicapped children and for automobile driver training. The total revenue from the State for the fiscal year ended June 30, 1957 was, as follows:

	<u>Totals</u>	<u>Elementary Schools</u>	<u>High Schools</u>	<u>City College</u>
Average daily attendance - residents - see Notes 1 and 2	89,315	58,634	24,792	5,889
\$120.00 per pupil	<u>\$10 717 800</u>	<u>\$7 036 080</u>	<u>\$2 975 040</u>	<u>\$706 680</u>
Apportionment based upon increase in attendance over that of the prior year - see Note 3	\$ 283 496	\$ 159 225	\$ 124 271	\$
Additional apportionment for prior years	<u>14 554</u>	<u>12 595</u>	<u>(195)</u>	<u>2 154</u>
Total	<u>\$ 298 050</u>	<u>\$ 171 820</u>	<u>\$ 124 076</u>	<u>\$ 2 154</u>
Apportionment for excess expense of educating handicapped children:				
Physically handicapped -				
Average daily attendance	857	717	140	
Extra expense - not over \$400.00 per pupil	\$ 342 800	\$ 286 800	\$ 56 000	
Mentally retarded -				
Average daily attendance	1,292	798	494	
Extra expense - not over \$150.00 per pupil	\$ 193 800	\$ 119 700	\$ 74 100	
Severely mentally retarded -				
Average daily attendance	126	126		
Extra expense - not over \$400.00 per pupil	\$ 50 400	\$ 50 400		
Transportation expense of certain handicapped children -				
Average daily attendance	361	361		
Expense to district - not over \$350.00 per pupil	\$ 116 759	\$ 116 759		
Total for handicapped children	<u>\$ 703 759</u>	<u>\$ 573 659</u>	<u>\$ 130 100</u>	
Automobile driver training -				
Number of pupils trained	2,056		2,056	
Apportionment - see Note 4	\$ 61 680		\$ 61 680	
Total State Apportionments	<u>\$11 781 289</u>	<u>\$7 781 559</u>	<u>\$3 290 896</u>	<u>\$708 834</u>

# Explanatory Notes -

- 1- Attendance and apportionment data applicable to evening schools and the continuation school are included in the column for high schools above.
- 2- Average daily attendance for the previous year was the primary basis for apportionment in the current year. The average daily attendance listed in the above schedule is that of the year ended June 30, 1956.
- 3- The increase in average daily attendance is based on attendance reports for periods ended in December and April of the current school year.
- 4- The apportionment for automobile driver training is the lower of:
  - (a) 75% of the actual cost, or
  - (b) \$30.00 times the number of pupils trained, but not to exceed the enrollment in grades 10, 11 or 12, whichever is greater.

A comparison of the average daily attendance for the past three years follows:

	<u>1956-57</u>	<u>1955-56</u>	<u>1954-55</u>
Elementary schools	60,140	58,634	56,920
High Schools	26,110	24,792	24,919
City College	<u>5,910</u>	<u>5,889</u>	<u>5,395</u>
Totals	<u>92,160</u>	<u>89,315</u>	<u>87,234</u>

We examined the reports submitted to the State Department of Education as a basis for State apportionment for the fiscal year 1957-58 and have tested the records in support thereof to satisfy ourselves that they fairly presented the average daily attendance during the fiscal year ended June 30, 1957.

The average daily attendance during the fiscal year ended June 30, 1957 will be the basis for apportionment for the fiscal year ending June 30, 1958, as follows:



	<u>Total</u>	<u>Elementary Schools</u>	<u>High Schools</u>	<u>City College</u>
Total average daily attendance	92,160	60,140	26,110	5,910
Handicapped children -				
Physically handicapped	812	701	111	
Mentally retarded	1,302	972	330	
Severely mentally retarded	135	135		
Requiring special transportation	367	367		
Automobile driver training -				
Number of pupils trained	2,538		2,538	

Direct revenues increased \$4,338,747 during the fiscal year ended June 30, 1957 as compared with the year 1956. A decrease of approximately \$45,000 in the tuition received from the Oakland Unified School District for its students at City College accounted for the greater portion of the decrease in the tuition received from other counties and districts.

Instruction salaries increased \$2,179,272 during the fiscal year ended June 30, 1957. Contributions to the City Retirement System increased \$383,153 and the contributions to the State Teachers' Retirement System increased \$744,897. The increased contributions to the State System were due, in part, to legislation enacted in 1955. There was an obligation, effective July 1, 1956, to pay to the State a contribution equal to three per cent of the salaries paid to the District's certificated employees who are members of the State Teachers' Retirement System.

Maintenance and Repairs of buildings and equipment increased \$263,251 for the fiscal year ended June 30, 1957 over the preceding year. Capital Outlays from Current Fund decreased \$170,162 for the fiscal year ended June 30, 1957, compared with the preceding year.



# GENERAL COMMENTS

## CHILD CARE CENTERS

25 Child Care Centers were operated during the fiscal year ended June 30, 1957, with a total enrollment of 1,193 children at June 30, 1957. The average daily attendance during the fiscal year ended June 30, 1957 was 1,300. The total hours of child attendance for the years ended June 30, 1957 and June 30, 1956 follows:

	Fiscal years ended		Increase
	June 30, 1957	June 30, 1956	(Decrease)
Hours of attendance			
Nursery (under 5 years, 9 months old)	1,059,875	1,226,838	(166,963)
School age (over 5 years, -9 months old)	1,020,317	868,213	152,104
Total hours of attendance	<u>2,080,192</u>	<u>2,095,051</u>	<u>(14,859)</u>

A comparative statement of revenues and expenditures of the Child Care Centers for the fiscal years ended June 30, 1957 and June 30, 1956 follows:

	Fiscal years ended		Increase
	June 30, 1957	June 30, 1956	(Decrease)
REVENUES			
State apportionment	\$ 468 368	\$ 505 343	\$ (36 975)
Fees from parents	359 629	331 201	28 428
District taxes	205 120	169 866	35 254
Federal grant	11 126	5 145	5 981
Miscellaneous	2 310	3 461	(1 151)
TOTAL REVENUE	<u>\$1 046 553</u>	<u>\$1 015 016</u>	<u>\$ 31 537</u>
EXPENDITURES			
Administration	\$ 67 086	\$ 62 932	\$ 4 154
Instruction	619 296	578 435	40 861
Auxiliary services	17 791	15 439	2 352
Operation	140 394	133 683	6 711
Maintenance	17 310	24 771	(7 461)
Fixed charges	12 050	10 759	1 291
Food	178 804	180 180	(1 376)
Capital outlay	15 477	15 165	312
TOTAL EXPENDITURES	<u>\$1 068 208</u>	<u>\$1 021 364</u>	<u>\$ 46 844</u>
EXCESS OF EXPENDITURES OVER REVENUE	<u>\$ (21 655)</u>	<u>\$ (6 348)</u>	<u>\$ (15 307)</u>

# COUNTY SCHOOL SERVICE FUND

## The revenue and expenditures of the County School Service

Fund for the year ended June 30, 1957 were as follows:

Revenue from State apportionment	\$ 64 199
Less Expenditures	64 199
Office of County Superintendent of Schools	\$ 2 400
Bureau of Research	12 635
Curriculum services	36 664
Visual education	12 500

Nil

## CAFETERIAS

48 complete cafeteria units and 17 branch cafeteria units, which were serviced from the kitchens of complete units, were operated by the School District during the fiscal year ended June 30, 1957.

A comparative statement of income and expenditures of the School Cafeterias for the fiscal years ended June 30, 1957 and June 30, 1956 follows:

	<u>Fiscal years ended</u>		<u>Increase</u>
	<u>June 30, 1957</u>	<u>June 30, 1956</u>	<u>(Decrease)</u>
<b>REVENUES</b>			
Sales - Cafeterias	\$ 1 274 786	\$ 1 140 126	\$ 134 660
Sales - Mid-morning lunches	170 920	162 710	8 210
Contribution from the Department of Public Health of the City and County of San Francisco for mid-morning milk	8 150	8 200	(50)
Federal grants			
Current year	254 585	193 751	60 834
Additional amounts applicable to prior years	1 700	1 378	322
Other adjustments to recorded income of prior years	70	3 630	(3 560)
<b>TOTAL REVENUES</b>	<u>\$ 1 710 211</u>	<u>\$ 1 509 795</u>	<u>\$ 200 416</u>
<b>EXPENDITURES</b>			
Cost of food	\$ 1 049 925	\$ 914 384	\$ 135 541
Salaries	456 127	419 205	36 922
Meals for student help	38 444	33 533	4 911
Supplies and expenses	60 510	53 305	7 205
Provision for sick leave and vacations	71 128	57 587	13 541
Adjustments to recorded expenses of prior years	3 154		3 154
<b>TOTAL EXPENDITURES</b>	<u>\$ 1 679 288</u>	<u>\$ 1 478 014</u>	<u>\$ 201 274</u>
<b>BALANCE - NET INCOME</b>	<u>\$ 30 923</u>	<u>\$ 31 781</u>	<u>(858)</u>

The net income of the cafeterias is held in trust for cafeteria operations only.

#### ACADEMIC ATHLETIC ASSOCIATION

Receipts and disbursements of this student body activity during the fiscal year ended June 30, 1957 were as follows:

Cash Available - July 1, 1956	\$	1 682
Add Receipts		26 782
Admission fees	\$	24 967
Programs		1 626
Other receipts		189
Total Available	\$	28 464
Less Expenses in connection with activities		19 279
Balance	\$	9 185
Less Profits paid to schools		7 097
Balance June 30, 1957 - In Trust	\$	2 088

#### STUDENT BODY FUNDS

The student body funds and the accounting records of the funds are maintained at the schools and are subject to internal audit at regular intervals by the administrative office. We reviewed the audit program and working papers of audits made during the fiscal year and believe them to be adequate.

#### FUND FOR THE ADVANCEMENT OF EDUCATION \$184,962.

The transactions in this Fund during the fiscal year ended June 30, 1957 are summarized, as follows:

Cash on deposit with Treasurer July 1, 1956	\$	273 127
Deduct Outstanding Warrants		2 027
Cash Available at July 1, 1956	\$	271 100
Deduct Expenditures		86 138
Fellowship payments (sustenance)	\$	52 246
Consultant's fees		10 245
San Francisco State College		23 611
Student fees	\$	4 466
Supervisors' salary and expenses		18 171
Clerical costs		974
Technical publications		36
Cash Available - June 30, 1957	\$	184 962
Treasurer's balance June 30, 1957	\$	192 861
Less Outstanding Warrants		7 899

The trust agreement under which this grant was accepted and this trust fund was created provides that on July 1, 1959, or upon any earlier termination of the agreement or termination of the project for recruitment and training of teachers, any portion of the grant not expended or committed for the recruitment and training of teachers shall be returned to the grantor.

MIRANDA LUX FOUNDATION TRUST FUND \$28,172.

The transactions in this Fund during the fiscal year ended June 30, 1957 are summarized, as follows:

Cash on deposit with Treasurer - July 1, 1956		\$ 25 000
Add second instalment received April 3, 1957		<u>25 000</u>
Total Available		\$ 50 000
Deduct Expenditures		21 828
Supervisor's and teachers' salaries	\$ 7 052	
Laboratory assistant's salaries	1 561	
Supplies and other expenses	11 837	
Equipment purchased	<u>1 378</u>	
Balance Available - June 30, 1957		\$ 28 172
Treasurer's balance - June 30, 1957	28 177	
Less Outstanding Warrants	<u>5</u>	

This fund was established on April 3, 1956 when the School District accepted a grant of \$75,000 to establish a scientific laboratory in a high school. The grant is payable to the School District in instalments of \$25,000 each on April 16, 1956, April 16, 1957 and April 16, 1958. If the agreement is terminated for any reason, any trust monies not expended or legally committed and any valuable pieces of equipment purchased with trust monies are to be returned to the Miranda Lux Foundation.

#### SCOPE OF THE EXAMINATION

Our examination included such tests of the School District's records and such other auditing procedures as we considered necessary

in the circumstances.

The balances of bonds outstanding, bond interest funds, bond redemption funds and fixed capital properties accounts were taken from the records of the Controller of the City and County of San Francisco. Those funds and accounts were examined by independent certified public accountants engaged to examine the Controller's accounts.

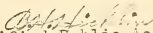
Student Body Funds are maintained at various schools and at the City College. Such funds were the subject of internal audit, at regular intervals, under the direction of the School District's administrative office. We examined the audit program and the working papers of audits made by the administrative office for the fiscal year ended June 30, 1957 and consider the audit reports examined to be adequate.

#### OPINION

In our opinion, based upon the scope of our examination described above, the accompanying Balance Sheets, Statements of Surplus and Statement of Revenues and Expenditures present fairly the financial position of the San Francisco Unified School District as of June 30, 1957 and the results of its operations for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our report, audit program and the working papers relating to our examination have been made available to Mr. David F. Supple, consultant and statistician for the County Grand Jury.

Very truly yours,

  
Certified Public Accountant.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT A

COMBINED PROPRIETARY BALANCE SHEET AS OF JUNE 30, 1957

ASSETS

CASH

On deposit with Treasurer  
Cash transfers outstanding  
Revolving Funds  
Other - Hume Foundation

Total Cash

ACCOUNTS RECEIVABLE

Delinquent taxes and penalties  
Less Reserve for unsecured property taxes  
Balance - Secured taxes and penalties  
Other accounts and subventions (contra)

Accounts Receivable - net

INTER-FUND ACCOUNTS

INVENTORIES AND DEFERRED CHARGES

Stores - at cost  
Shop Inventory - at cost  
Unexpired Insurance  
Other supplies and expenses  
Bond interest accrued  
Uncompleted contracts and purchase orders

Total Inventories and Deferred Charges

FIXED CAPITAL PROPERTIES (SEE NOTE 1)

TOTAL ASSETS

\* Details of the various funds are shown on Schedule 1.

\*\* Details of the various funds are shown on Schedule 2.

The notes to the financial statements, in Exhibit G, are an integral part of these statements.

	Total	Current Fund	Capital Funds	Special Funds *	Trust Funds **
\$ 10 518 339 \$ 7 310 256 \$ 2 436 910 \$459 503 \$311 670					
409 188					409 188
5 500	3 000			2 500	
161					161
\$ 10 933 188 \$ 7 313 256 \$ 2 436 910 \$462 003 \$721 019					
\$ 763 497 \$ 760 087				\$ 3 410	
483 297	481 788			1 509	
\$ 280 200 \$ 278 299				\$ 1 901	
790 899	736 999			53 900	
\$ 1 071 099 \$ 1 015 298				\$ 55 801	
\$ 1 773 \$ 1 773					
\$ 739 751 \$ 739 751 \$				\$	
33 059	33 059				
1 321	1 321				
26 570	25 187			1 383	
226 283				226 283	
(contra)					
4 750 878 2 670 625 2 063 383 4 252 12 618					
\$ 5 777 862 \$ 3 469 943 \$ 2 063 383 \$231 918 \$ 12 618					
\$110 242 898				\$110 242 898	
\$128 026 820 \$11 800 270 \$114 743 191 \$749 722 \$733 637					



SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT A

COMBINED PROPRIETARY BALANCE SHEET AS OF JUNE 30, 1957

LIABILITIES AND SURPLUS

BOND INTEREST PAYABLE AND ACCRUED (SEE NOTE 1)	Total	Current Fund	Capital Funds	Special Funds *	Trust Funds **
ACCOUNTS PAYABLE AND COMMITMENTS	\$ 229 699	\$	\$	\$229 699	\$
Warrants and pay roll deductions outstanding	\$ 2 811 823	\$ 2 518 474	\$ 96 723	\$150 713	\$ 45 913
Accounts Payable - materials and services	421 592	410 381		11 211	450 455
Accounts Payable - Trust Funds	450 455				
Uncompleted contracts and purchase orders (contra)	4 750 878	2 670 625	2 063 383	4 252	12 618
Total Accounts Payable and Commitments	\$ 8 434 748	\$ 5 599 480	\$ 2 160 106	\$166 176	\$508 986
INTER-AGENCY ACCOUNTS					
Department of Public Works	\$ 224 804	\$ 222 567		\$ 2 237	
Employees' Retirement System	1 083 670	1 083 175		495	
Other Agencies	127 966	67 966	60 000		
Total Inter-agency Accounts	\$ 1 436 440	\$ 1 373 708	\$ 60 000	\$ 2 732	\$ 1 507
INTER-FUND ACCOUNTS	\$ 1 773			\$	\$ 266
DEFERRED CREDITS					
Accounts Receivable	\$ 790 899	\$ 736 999		\$ 53 900	
Provision for sick leave and vacations earned	67 042			67 042	
Other	28 537	28 524		13	
Total Deferred Credits	\$ 886 478	\$ 765 523		\$120 955	
BONDED DEBT	\$ 41 471 000		\$ 41 458 000	\$ 13 000	
SURPLUS - PER EXHIBITS B AND C (SEE NOTES 2 AND 3)	\$ 75 566 682	\$ 4 061 559	\$ 71 065 085	\$216 894	\$223 144
TOTAL LIABILITIES AND SURPLUS	\$128 026 820	\$11 800 270	\$114 743 191	\$749 722	\$733 637

\* Details of the various funds are shown on Schedule 1.

\*\* Details of the various funds are shown on Schedule 2.

The notes to the financial statements, in Exhibit C, are an integral part of these statements.

# SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## EXHIBIT B

### STATEMENT OF SURPLUS - CURRENT FUND

For the fiscal year ended June 30, 1957

BALANCE - JULY 1, 1956 - PER REPORT DATED OCTOBER 19, 1956	\$ 4 111 395
DEDUCT EXCESS OF EXPENDITURES OVER REVENUE FOR THE FISCAL YEAR ENDED JUNE 30, 1957 - PER EXHIBIT D	<u>49 836</u>
BALANCE - JUNE 30, 1957 - TO EXHIBIT A (SEE NOTE 2)	<u>\$ 4 061 559</u>

## EXHIBIT C

### STATEMENT OF SURPLUS - CAPITAL FUNDS

For the fiscal year ended June 30, 1957

BALANCE - JULY 1, 1956 - PER REPORT DATED OCTOBER 19, 1956	\$ 67 341 648
Add net adjustment to land and buildings per Real Estate Department valuation dated January 1, 1955	<u>203 580</u>
Total	\$ 67 545 228
Deduct excess of assigned cost over proceeds received from sale of property during the fiscal year ended June 30, 1956	<u>38 956</u>
ADJUSTED SURPLUS - JULY 1, 1956	\$ 67 506 272
Add capital expenditures from non-capital funds, per San Francisco Unified School District records	942 741
Current Fund - per Schedule 4	\$ 927 264
Child Care Centers Fund	<u>15 477</u>
Add contributions by taxpayers to pay bonded debt matured during the fiscal year	2 679 000
Add Other adjustments	<u>818</u>
Total	\$ 71 128 831
Deduct cost, or assigned values, of properties sold or retired (see Note 1)	<u>63 746</u>
BALANCE - JUNE 30, 1957 - TO EXHIBIT A	<u>\$ 71 065 085</u>

The notes to the financial statements, in Exhibit G, are an integral part of these statements.



# SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## EXHIBIT D

### CURRENT FUND

#### COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES

For the fiscal years ended June 30, 1957 and June 30, 1956

	<u>Fiscal year ended June 30</u>		<u>Increase</u>
	<u>1957</u>	<u>1956</u>	<u>(Decrease)</u>
REVENUE - PER SCHEDULE 3	\$ 40 650 211	\$ 36 295 734	\$ 4 354 477
OPERATING EXPENDITURES			
Administration	\$ 1 021 444	\$ 1 033 357	\$ (11 913)
Instruction	26 860 658	24 669 677	2 190 981
Auxiliary Service	357 336	332 250	25 086
Operations	3 128 769	2 981 131	147 638
Maintenance	1 969 719	1 706 468	263 251
Fixed Charges	5 091 347	3 947 194	1 144 153
Transportation of Pupils	303 353	305 795	(2 442)
Food Service	170 312	144 819	25 493
Community Services	278 511	278 305	206
Tuition Paid to Other Districts	57 537	39 319	18 218
Total Direct Expenditures	\$ 39 238 986	\$ 35 438 315	\$ 3 800 671
Auxiliary (Indirect) Services			
Contributed by Department of			
Public Health	533 640	514 862	18 778
Rosenberg Television Project	157	3 343	(3 186)
Less Total Operating Expenditures - per Schedule 4	\$ 39 772 783	\$ 35 956 520	\$ 3 816 263
BALANCE	\$ 877 428	\$ 339 214	\$ 538 214
NET CAPITAL OUTLAY FROM CURRENT FUNDS - PER SCHEDULE 4	927 264	1 097 426	(170 162)
EXCESS OF EXPENDITURES OVER REVENUE (DEFICIT) - TO EXHIBIT B	\$ (49 836)	\$ (758 212)	\$ 708 376

Note - Items in ( ) denote decreases.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT E

FUNDS BALANCE SHEET AS OF JUNE 30, 1957

(As shown by the accounts of the Controller)

ASSETS

	Total	Cash Available	Accounts Receivable	Construction Grant Receivable	Interfund Accts.	Unsold Bonds	Real Estate
CURRENT FUNDS	\$ 6 139 118	\$ 4 791 781	\$ 845 351	\$ 500 213	\$ 1 773		\$
CAPITAL FUNDS							
Real property	\$ 184 590	\$ 184 590					\$
1948 School Bond	2 096 347	2 096 347					
1956 School Bond	27 059 250	59 250				27 000 000	
Total Capital Funds	\$ 29 340 187	\$ 2 340 187				\$ 27 000 000	
OTHER FUNDS							\$
Withholding Tax	\$ 418 551	\$ 418 551					\$
Child Care Center	86 295	77 969	8 326				
Cafeteria	263 389	214 405	48 984				
Teachers' Annuity	14 575	14 575					
Teachers' Permanent Fund for Advancement of Education	17 330	17 330					
Miranda Lux Foundation	184 962	184 962					
Anna Steinberg	28 172	28 172					
Will C. Steinbrunn (see Note 6)	1 150	1 150					
Veterans' Education	15 176	10 176					5 000
	30	30					
Total Other Funds	\$ 1 029 630	\$ 967 320	\$ 57 310				\$ 5 000
TOTAL ASSETS	\$ 36 508 935	\$ 8 099 288	\$ 902 661	\$ 500 213	\$ 1 773	\$ 27 000 000	\$ 5 000

The notes to the financial statements, in Exhibit G, are an integral part of these statements.

SAF FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT F

FUND BALANCE SHEET AS OF JUNE 30, 1957

(As shown by the accounts of the Controller)

LIABILITIES

	Total	Encum- brances	Inter- agency Accounts	Inter- Reserve fund for Taxes Accts. and Pen.*	Fund Balances		
					Appropriated but Unencumbered	Unappropri- ated	Trust and Agency Balances
CURRENT FUNDS	\$ 6 139 118 53	\$ 199 900	\$ 1 143 385	\$ 481 788	\$ 131 074	\$ 1 182 971	\$
CAPITAL FUNDS							
Real Property	\$ 184 590	\$	\$	\$	\$ 60 464	\$ 124 126	
1948 School Bond	2 096 347	1 521 084	34 126		496 902	44 235	
1956 School Bond	27 059 250	395 074	67 735		25 386 441	1 210 000	
Total Capital Funds	\$ 29 340 187	\$ 1 916 158	\$ 101 861		\$ 25 943 807	\$ 1 378 361	
OTHER FUNDS							
Withholding Tax	\$ 418 551	\$	\$	\$	\$	\$	\$ 418 551
Child Care Centers	86 295	17 780		229	5 013	61 349	
Cafeteria	263 389		415	37	5 000	258 352	
Teachers' Annuity	14 575						14 575
Teachers' Permanent	17 330						17 330
Fund for Advancement of Education	184 962	8 943					176 019
Miranda Lux Found.	28 172	3 540		1 507			23 125
Anna Steinberg	1 150	135					1 015
Will C. Steinbrunn	15 176						15 176
Veterans' Education	30						30
Total Other Funds	\$ 1 029 630	\$ 30 398	\$ 415	\$ 1 713	\$ 10 013	\$ 319 701	\$ 665 821
TOTAL LIABILITIES	\$ 36 508 935	\$ 5 116 456	\$ 1 245 661	\$ 1 773	\$ 26 014 894	\$ 2 881 033	\$ 665 821

\* Reserve for Delinquent Taxes and Penalties.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT F EXHIBIT F

RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUNDS BALANCE SHEET AS OF JUNE 30, 1957

ASSETS

	Total	Cash	Accounts Receivable	Inter-fund Accounts	Unsold Bonds	Inventories and Deferred Charges	Investments	Fixed Capital Properties
PROPRIETARY BALANCE SHEET - EXHIBIT A	\$128,026,820	\$10,423,188	\$1,071,099	\$1,773		\$5,777,862		\$110,242,898
ADD								
Investments (see Note 6)	\$5,000					\$5,000		
Unsold 1956 School Bonds	\$27,000,000				\$27,000,000			
Reserve for unsecured property taxes	483,297		483,297					
Total Additions	\$27,488,297		\$483,297		\$27,000,000	\$5,000		
DEDUCT								
Fixed capital properties	\$110,242,898							\$110,242,898
Marion's and pay roll deductions outstanding	2,811,823	2,811,823						
Revolving funds	5,500	5,500						
Hume Foundation Trust Fund	161	161						
Bond interest and redemption funds	16,416	16,416						
Accounts receivable - Tuition from other counties and districts not billed	147,483		147,483					
Disputed salary payments of prior years,	4,039		4,039					
recoverable at termination of employment								
Inventories and deferred charges	5,777,862					5,777,862		
Total Deductions	\$119,006,182	\$2,833,900	\$151,522					
FUNDS BALANCE SHEET - EXHIBIT E	\$26,508,935	\$8,099,288	\$1,402,874	\$1,773	\$27,000,000	\$5,777,862		\$110,242,898
						\$5,000		

The notes to the financial statements, in Exhibit G, are an integral part of these statements.

SAN FRANCISCO  
EXHIBIT F  
RECONCILIATION OF PROPRIETARY BALANCE SHEET  
LIABILITIES

	Bond	
	Payable and Interest Accrued	Total
PROPRIETARY BALANCE SHEET - EXHIBIT A	\$ 128 026 820	\$ 229 699
ADD		
Investments (see Note 6)	\$ 5 000	
Unsold 1936 School Bonds	27 000 000	
Reserve for unsecured property taxes	483 297	
Total Additions	\$ 27 488 297	

DEDUCT		
Bonded debt and surplus invested in fixed capital properties	\$ 110 242 898	
Warrants and pay roll deductions outstanding	2 811 823	
Accounts payable - Trust Funds		
Receivable from		
Bonds matured	5 500	
Bond interest matured - unpaid	13 000	
Bond interest accrued - not due	3 416	
Hume Foundation Trust Fund	226 283	
Accounts receivable deferred credits - Items not recorded in Controller's records	161	
Items credited to income by Controller	151 522	
On deferred credits not deferred by Controller		
Inventories and deferred charges		
Excess of accounts payable and encumbrances shown by School District records over these obligations as shown by the Controller's records	5 777 862	

Total Deductions	\$ 119 006 182	\$ 229 699
FUNDS BALANCE SHEET - EXHIBIT E	\$ 36 508 935	\$ Nil

Note - Items in ( ) denote decreases.

UNITED SCHOOL DISTRICT  
EXHIBIT F  
WITH FUNDS BALANCE SHEET AS OF JUNE 30, 1937  
AND SURPLUS

	Accounts Payable and Inter- Agency fund		Deferred Credits	Bonded Debt	Balance of Funds
	Payables	Accounts			
	\$ 8 434 748	\$ 1 436 440	\$ 1 773	\$ 886 478	\$ 41 471 000
			\$ 886 478		\$ 75 566 682
			\$ 483 297		\$ 5 000
			\$ 483 297		\$ 27 000 000
			\$ 483 297		\$ 27 005 000
				\$ 41 458 000	\$ 68 784 898
	2 811 823				(450 455)
	450 455			13 000	5 500
					(226 283)
					161
			151 522		
			639 377		(639 377)
			95 579		(95 579)
					5 777 862
	26 014	150 779			(216 793)
	\$ 3 288 252	\$ 150 779	\$ 886 478	\$ 41 471 000	\$ 72 939 934
	\$ 5 146 456	\$ 1 245 061	\$ 1 773	\$ 483 297	\$ 29 631 748
					\$ 26 084 844
					2 881 037
					(695 821)
					\$ 29 631 748

Unnumbered appropriations \$ 26 084 844  
Unappropriated balances 2 881 037  
Trust Funds (695 821)  
Total \$ 29 631 748

## SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## EXHIBIT G

## NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 1957

- 1- Fixed capital properties, bonded debt and bond interest payable and accrued are not recorded in the ledger of the San Francisco Unified School District, but have been added in this report, based upon the amounts shown in the records of the Controller.

Bonded debt and bond interest are general obligations of the City and County of San Francisco and are not liabilities of the San Francisco Unified School District. They are shown in the Proprietary Balance Sheet, Exhibit A, because the proceeds of the bonds were used to acquire School District properties.

The amounts shown for fixed capital properties do not represent the value of properties and equipment presently owned by the San Francisco Unified School District, as the amounts shown include certain properties at cost and certain properties at appraised value when acquired.

- 2- The Surplus of the Current Fund at June 30, 1957 comprised:

Appropriations to be carried forward into the next fiscal year		\$ 2 359 610
Expenditures committed	\$ 2 353 624	
Expenditures not yet committed -		
appropriation for Silver and Thomas		
Avenues Elementary School	5 446	
John A. Lenahan Scholarship Fund	452	
Other	<u>88</u>	
Unappropriated		1 701 949
Available only for capital outlay purposes	121 738	
Balance - July 1, 1956	\$ 407 255	
Sales of land and buildings	<u>84 594</u>	
Total	\$ 491 849	
Less appropriation for Silver and Thomas Avenues Elementary School	<u>370 111</u>	
Available for general purposes	<u>1 580 211</u>	
Surplus of the Current Fund - June 30, 1957		<u>\$ 4 061 559</u>

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT G

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 1957 - Continued

- 3- At June 30, 1957 the contingent liability for personal injury claims was estimated by the legal advisor to the Board of Education to be not in excess of \$100,000.00.

At June 30, 1957 the contingent liability for workmen's compensation claims pending was estimated by the Retirement Board of the City and County of San Francisco to be approximately \$110,000.00.

- 4- Revenue, other than from secured taxes, is recorded only when monies are received by, or for the credit of, the School District. This practice is consistent with that of the preceding fiscal years.
- 5- The Board of Education, on March 26, 1957, accepted a grant of \$452.13 from the Trustees of the John A. Lenahan Scholarship Fund to be used for the purchase of a business machine. This grant is in the nature of a trust, but it has been carried as a part of the Current Fund for accounting purposes. This grant was not expended during the fiscal year and is included in the appropriations carried forward at July 1, 1957.
- 6- Will C. Steinbrunn Bequest represents cash and the appraised value of a parcel of real estate, acquired in 1948 as shown on the records of the Controller. The appraised value of the real estate, \$5,000.00, is not shown on the ledger of the School Department.



SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SCHEDULE 1

PROPRIETARY BALANCE SHEETS AS OF JUNE 30, 1957

SPECIAL FUNDS

ASSETS

CASH

On deposit with Treasurer  
accompanying funds

Total Cash

ACCOUNTS RECEIVABLE

Delinquent taxes and penalties  
Less Reserve for unsecured property taxes  
Balance - Secured taxes and penalties  
Other accounts and subventions (contra)

Accounts Receivable - net

DEFERRED CHARGES

Other supplies and expenses  
Bond interest accrued  
Uncompleted contracts and purchase orders (contra)

Total Deferred Charges

TOTAL ASSETS

	<u>Totals</u>		<u>Child Care Centers</u>		<u>School Cafeterias</u>	<u>Bond Interest and Redemption Note 1</u>	
	1923	1948				1923	1948
\$ 459 503 \$ 149 693 \$ 293 394 \$ 3 925 \$ 12 491							
2 500					2 500		
\$ 462 003 \$ 149 693 \$ 295 894 \$ 3 925 \$ 12 491							
\$ 3 410 \$ 3 410 \$							
1 509 1 509							
\$ 1 901 \$ 1 901							
53 900 4 916 48 984							
\$ 55 801 \$ 6 817 \$ 48 984							
\$ 1 383 \$							
226 283					1 383 \$	50 000	176 283
4 252 4 252							
\$ 231 918 \$ 4 252 \$ 1 383 \$ 50 000 \$ 176 283							
719 722 \$ 160 762 \$ 346 261 \$ 53 925 \$ 188 774							

The notes to the Financial Statements, in Exhibit G, are an integral part of these statements.



SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SCHEDULE 1

PROPRIETARY BALANCE SHEETS AS OF JUNE 30, 1957

SPECIAL FUNDS

LIABILITIES AND SURPLUS

BOND INTEREST PAYABLE AND ACCRUED

ACCOUNTS PAYABLE AND COMMITMENTS

Warrants and pay roll deductions outstanding

Accounts Payable - materials and services  
Uncompleted Contracts and purchase orders (contra)

Total Accounts Payable and Commitments

INTER-AGENCY ACCOUNTS

Department of Public Works  
Employees' Retirement System

Total Inter-agency Accounts

SAN FRANCISCO UNIFIED SCHOOL DISTRICT -  
CURRENT FUND

DEFERRED CREDITS

Accounts receivable  
Provision for sick leave and vacations earned  
Other

Total Deferred Credits

BONDED DEBT

SURPLUS

TOTAL LIABILITIES AND SURPLUS

Totals	Child Care Centers	School Cafeterias	Bond Interest and Redemption Note 1
\$ 229 699 \$	\$	\$ 50 925 \$	1948 178 774

\$ 150 713 \$	\$ 71 724 \$	\$ 78 989
11 211	11 211	
4 252	4 252	

\$ 166 176 \$	\$ 87 187 \$	\$ 78 989
---------------	--------------	-----------

\$ 2 237 \$	2 237
495	495

\$ 2 732 \$	2 732
-------------	-------

\$ 266 \$	229 \$	37
-----------	--------	----

(contra) \$ 53 900 \$	4 916 \$	48 984
67 042	67 042	
13	13	

\$ 120 955 \$	4 929 \$	116 026
---------------	----------	---------

\$ 13 000 \$	\$ 3 000 \$	10 000
--------------	-------------	--------

\$ 216 894 \$	65 685 \$	151 209
---------------	-----------	---------

\$ 749 722 \$	160 762 \$	346 261 \$
		53 925 \$
		188 774

The notes to the Financial Statements, in Exhibit G, are an integral part of these statements.

SAN FRANCISCO  
SCHEDULE 2  
PROPRIETARY BALANCE SHEETS

TRUST

	Cash With Treasurer	Other Cash Items In Transit
Withholding Tax	\$ 38 854	\$ 379 697
Teachers' Annuity	19 872	12 162
Teachers' Retirement	18 213	17 329
Teachers' Sick Leave	2 302	
Funds for Advancement of Education	192 861	
Miranda Lux Foundation	28 177	
Anna Steinberg Trust	1 150	
Will C. Steinbrunn Bequest	10 176	
Veterans' Education	65	
Hume Foundation		161
TOTALS	\$ 311 670	\$ 409 349

UNIFIED SCHOOL DISTRICT  
SCHEDULE 2  
AS OF JUNE 30, 1957

FUNDS

Uncompleted Contracts	Total Assets	Warrants Payable	Accounts Payable	Commit- ments	Total Liabilities	Unexpended Balance
\$	\$418 551	\$	\$418 551	\$	\$ 418 551	\$
	32 034	17 459	14 575		32 034	
	35 542	18 213	17 329		35 542	
	2 302	2 302			2 302	
8 943	201 804	7 899	*	8 943	16 842	184 962
3 540	31 717	5	1 507	3 540	5 052	26 665
135	1 285			135	135	1 150
	10 176		35		35	10 140
	65					161
	161					161
\$ 12 618	\$733 637	\$ 45 913	\$451 962	\$12 618	\$ 510 493	\$223 144

\* Due School District Current Fund.

# SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## SCHEDULE 3

### COMPARATIVE STATEMENT OF REVENUE

For the fiscal years ended June 30, 1957 and June 30, 1956

	<u>Fiscal years ended</u>		<u>Increase</u>
	<u>June 30, 1957</u>	<u>June 30, 1956</u>	<u>(Decrease)</u>
PROPERTY TAXES AND PENALTIES	\$25 512 989	\$22 033 650	\$3 479 339
APPORTIONMENTS FROM STATE OF CALIFORNIA (see Note 4)			
Elementary Schools	\$ 7 781 559	\$ 7 619 193	\$ 162 366
High Schools and City College	3 999 730	3 858 712	141 018
Retirement Subventions	1 018 652	993 476	25 176
Total Apportionments	\$12 799 941	\$12 471 381	\$ 328 560
OTHER REVENUE (see Note 4)			
San Francisco Housing Authority - in lieu of taxes	\$ 32 867	\$ 35 701	\$ (2 834)
Federal and State vocational education subvention	61 812	59 581	2 231
Reimbursement for veterans' vocational training	65 801	81 645	(15 844)
Tuition from other counties and districts	184 626	237 417	(52 791)
Rentals	355 847	356 781	(934)
Public Law 874 and other Federal aid	394 258	405 895	(11 637)
Federal construction grant	625 265	Nil	625 265
Miscellaneous	82 713	95 321	(12 608)
Total Other Revenue	\$ 1 803 189	\$ 1 272 341	\$ 530 848
TOTAL DIRECT REVENUES	\$40 116 119	\$35 777 372	\$4 338 747
John A. Lenahan Scholarship (see Note 5)	452		452
ROSENBERG FOUNDATION GRANT - TELEVISION PROJECT		3 500	(3 500)
AUXILIARY (INDIRECT) REVENUE - Services of physicians, dentists and nurses of the Department of Public Health	533 640	514 862	18 778
TOTAL REVENUES - TO EXHIBIT D	\$40 650 211	\$36 295 734	\$4 354 477

The notes to the financial statements, in Exhibit G, are an integral part of these statements.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SCHEDULE 4

CURRENT FUND

COMPARATIVE STATEMENT OF EXPENDITURES

For the fiscal years ended June 30, 1957 and June 30, 1956

	Fiscal years ended		Increase	
	June 30, 1957	June 30, 1956	(Decrease)	
ADMINISTRATION				
Salaries	\$ 816 522	\$ 775 011	\$ 41 511	
Supplies	59 716	46 470	13 246	
Traveling Expenses	15 332	14 246	1 086	
Other Expenses	129 874	197 630	(67 756)	
Totals	\$ 1 021 444	\$ 1 033 357	\$ (11 913)	
INSTRUCTION - SALARIES				
Supervision	\$ 476 211	\$ 447 783	\$ 28 428	
Elementary Schools	11 206 312	10 111 660	1 094 652	
Special Schools	595 441	556 898	38 543	
Junior High Schools	5 099 261	4 613 316	485 945	
Senior High Schools	4 560 169	4 325 459	234 710	
Adult Schools	927 790	859 430	68 360	
Trade and Industrial Schools	425 556	397 973	27 583	
Continuation School	183 258	172 141	11 117	
City College	2 135 267	1 945 333	189 934	
Totals	\$25 609 265	\$23 429 993	\$2 179 272	
INSTRUCTION - SUPPLIES AND OTHER EXPENSES				
Educational Supplies	\$ 718 426	\$ 694 254	\$ 24 172	
Books	271 352	274 002	(2 650)	
Traveling Expenses	25 189	24 961	228	
Other Expenses	236 426	246 467	(10 041)	
Totals	\$ 1 251 393	\$ 1 239 684	\$ 11 709	
AUXILIARY SERVICES				
Compulsory Education	\$ 188 092	\$ 174 313	\$ 13 779	
Guidance Service Centers	107 280	99 572	7 708	
Student Placement Service	25 099	24 302	797	
Nurse Service	11 280	10 680	600	
Health Classes and Other Expenses	25 585	23 383	2 202	
Totals	\$ 357 336	\$ 332 250	\$ 25 086	
Totals Forward \$28 239 438 \$26 035 284 \$2 204 154				

# SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## SCHEDULE 4 - Continued

### CURRENT FUND

#### COMPARATIVE STATEMENT OF EXPENDITURES

For the fiscal years ended June 30, 1957 and June 30, 1956

	<u>Fiscal year ended</u>		<u>Increase</u>
	<u>June 30, 1957</u>	<u>June 30, 1956</u>	<u>(Decrease)</u>
Totals Forward	\$28 239 438	\$26 035 284	\$2 204 154
<b>OPERATION</b>			
Janitors, Engineers and Gardeners -			
Salaries	\$ 2 222 879	\$ 2 077 551	\$ 145 328
Supplies	124 808	129 276	(4 468)
Gas and Electricity	379 937	379 073	864
Fuel	56 337	50 374	5 963
Water	59 463	58 098	1 365
Other Expenses	285 345	286 759	(1 414)
Totals	\$ 3 128 769	\$ 2 981 131	\$ 147 638
<b>MAINTENANCE</b>			
Repairs -			
Buildings and Grounds	\$ 1 629 201	\$ 1 379 332	\$ 249 869
Janitors' Equipment	8 432	9 277	(845)
Educational Equipment	294 313	288 152	6 161
Other Expenses	37 773	29 707	8 066
Totals	\$ 1 969 719	\$ 1 706 468	\$ 263 251
<b>FIXED CHARGES</b>			
Rents	\$ 8 494	\$ 9 847	(1 353)
Insurance	39 392	34 631	4 761
Compensation and Accident Claims	42 299	41 365	934
Contributions to Retirement Systems -			
City	4 203 001	3 819 848	383 153
State	790 857	45 960	744 897
Other Expenses	7 304	(4 457)	11 761
Totals	\$ 5 091 347	\$ 3 947 194	\$ 1 144 153
<b>TRANSPORTATION OF PUPILS</b>			
	\$ 303 353	\$ 305 795	\$ (2 442)
<b>FOOD SERVICE</b>			
Cafeteria Supervision	\$ 72 896	\$ 69 106	\$ 3 790
Cafeteria Maintenance	44 905	31 034	13 871
Free Meals	34 640	27 268	7 372
Other Expenses	17 871	17 411	460
Totals	\$ 170 312	\$ 144 819	\$ 25 493
Totals Forward	\$38 902 938	\$35 120 691	\$3 782 247

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SCHEDULE 4 - Continued

CURRENT FUND

COMPARATIVE STATEMENT OF EXPENDITURES

For the fiscal years ended June 30, 1957 and June 30, 1956

	<u>Fiscal year ended</u>		<u>June 30, 1957</u>		<u>June 30, 1956</u>		<u>Increase</u>
							<u>(Decrease)</u>
Totals Forward	\$38	902	938	\$35	120	691	\$3 782 247
COMMUNITY SERVICES							
Recreation Program	\$	185	594	\$	169	604	\$ 15 990
Veterans' Counseling		36	400		52	330	(15 930)
Civic Center Activities		56	517		56	371	146
Totals	\$	278	511	\$	278	305	\$ 206
TUITION PAID TO OTHER DISTRICTS	\$	57	537	\$	39	319	\$ 18 218
TOTAL DIRECT EXPENDITURES	\$39	238	986	\$35	438	315	\$3 800 671
AUXILIARY (INDIRECT) SERVICES							
CONTRIBUTED BY DEPARTMENT OF							
PUBLIC HEALTH							
Medical Inspection	\$	85	076	\$	82	477	\$ 2 599
Dental Inspection		61	436		62	564	(1 128)
Nurse Service		387	128		369	821	17 307
Totals	\$	533	640	\$	514	862	\$ 18 778
ROSENBERG TELEVISION PROJECT	\$	157		\$	3	343	\$ (3 186)
TOTAL OPERATING EXPENDITURES -							
TO EXHIBIT D	\$39	772	783	\$35	956	520	\$3 816 263
CAPITAL OUTLAYS FROM CURRENT FUND							
Land	\$	25	453	\$	3	800	\$ 21 653
Buildings and Improvements		499	179		603	669	(104 490)
Equipment		487	226		489	957	(2 731)
Totals	\$	1 011	858	\$	1 097	426	\$ (85 568)
Less Sales of Land and Buildings		84	594		Nil		(84 594)
NET CAPITAL OUTLAY FROM CURRENT FUND -							
TO EXHIBIT D	\$	927	264	\$	1 097	426	\$ (170 162)

# Treasurer's Office

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REPORT ON EXAMINATION OF ACCOUNTS  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 1957



CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

September 18, 1957

Mr. Harry D. Ross  
Controller  
City and County of San Francisco

OFFICE OF THE TREASURER  
Examination of Accounts  
Fiscal Year ended June 30, 1957

Dear Sir:

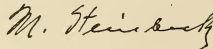
Under your direction and pursuant to the provisions of Charter Section 66, we have examined the Treasurer's financial statements and records. Mr. Ralph Sheehan, acting for Mr. David F. Supple, Grand Jury Statistician, participated.

Our examination was made in accordance with generally accepted auditing standards and procedures and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion the accompanying report with schedules attached presents fairly the financial position of the Treasurer at June 30, 1957, and the results of its operations for the fiscal year then ended, on a basis consistent with that of the preceding year.

Respectfully submitted,

GENERAL AUDIT DIVISION



MARTIN STEINBECK  
SUPERVISING ACCOUNTANT

APPROVED:



HARRY D. ROSS  
CONTROLLER



REPORT ON EXAMINATION

The Treasurer's accountability for cash and securities as at June 30, 1957, amounted to \$429,313,610.28 compared with June 30, 1956 total of \$381,504,755.43.

<u>Cash and Securities</u>	<u>June 30, 1957</u>	<u>June 30, 1956</u>
Cash and cash items	\$101,214,888.28	\$ 88,168,291.43
Securities (Par Value)	<u>328,098,722.00</u>	<u>293,336,464.00</u>
Total (Exhibit "A")	<u>\$429,313,610.28</u>	<u>\$381,504,755.43</u>

CASH AND CASH ITEMS \$101,214,888.28

Cash and cash items (Exhibit "A"), are summarized as follows:

<u>Cash and Cash Items</u>	<u>June 30, 1957</u>	<u>June 30, 1956</u>
Cash and cash items on hand	\$ 2,664,998.49	\$ 1,617,766.82
Cash in banks	97,850,150.94	85,771,838.38
United States Bonds (Par Value)	<u>68,750.00</u>	<u>55,250.00</u>
Total	\$100,583,899.43	\$ 87,444,855.20
Cash items received after June 30, 1957 and applied to the fiscal year 1956-57	<u>630,988.85</u>	<u>723,426.23</u>
Total	<u>\$101,214,888.28</u>	<u>\$ 88,168,291.43</u>

The above \$101,214,888.28 was reconciled with the Controller's available cash of \$87,775,482.90; the difference of \$13,439,405.38 consists of outstanding items per Controller's Division of Accounts and Reports, as follows:

<u>Outstanding Items</u>	<u>General City</u>	<u>Public Service Enterprises</u>	<u>Total</u>
Warrants outstanding	\$11,399,058.14	\$1,935,898.49	\$13,334,956.63
Matured and unpaid bonds	25,000.00	24,200.00	49,200.00
Matured and unpaid coupons	<u>8,881.25</u>	<u>45,367.50</u>	<u>55,248.75</u>
Total	<u>\$11,432,939.39</u>	<u>\$2,005,465.99</u>	<u>\$13,438,405.38</u>

CASH AND CASH ITEMS ON HAND

The sum of \$2,664,998.49 consists of:

<u>Item</u>	<u>Amount</u>	<u>Comments</u>
Coin and currency	\$ 832,302.04	Verified by count.
Checks on hand for deposit	1,832,426.35 )	All current; deposited in bank
Health Service System's	)	July 1, 1957.
Deposit	<u>270.10</u> )	
Total	<u>\$2,664,998.49</u>	

CASH IN BANKS \$97,850,150.94

Cash in banks was confirmed by direct correspondence with the banks and is summarized as follows:

Bank	Amount of Deposit			Per Cent
	Inactive	Active	Total	
American Trust Co.	\$ 4,000,000.00	\$ 3,475,613.13	\$ 7,475,613.13	7.64%
Bank of America	26,050,000.00	14,354,041.33	40,404,041.33	41.29%
Bank of California	4,250,000.00	3,670,279.87	7,920,279.87	8.09%
Bank of Canton	500,000.00	500,000.00	1,000,000.00	1.02%
Bank of Montreal	500,000.00	500,000.00	1,000,000.00	1.02%
Bank of Tokyo	250,000.00	250,000.00	500,000.00	.51%
Crocker-Anglo Bank	10,875,000.00	6,170,272.44	17,045,272.44	17.42%
Canadian Bank of Comm.	650,000.00	650,000.00	1,300,000.00	1.33%
First Western Bank	3,500,000.00	3,116,503.95	6,616,503.95	6.76%
Hongkong & Shanghai Bank	250,000.00	250,000.00	500,000.00	.51%
Hibernia Bank	250,000.00	250,000.00	500,000.00	.51%
Pacific National Bank	1,750,000.00	1,000,000.00	2,750,000.00	2.81%
Sumitomo Bank	250,000.00	250,000.00	500,000.00	.51%
Wells Fargo Bank	6,000,000.00	4,338,440.22	10,338,440.22	10.58%
Total	<u>\$59,075,000.00</u>	<u>\$38,775,150.94</u>	<u>\$97,850,150.94</u>	<u>100.00%</u>
Percentage of Total	60.37%	39.63%	100.00%	

All inactive accounts are maintained in compliance with Government Code Section 53643:

"The Treasurer may deposit any part of the money for a definite term agreed upon between him and the depository. The term shall not exceed one year."

Supervisor's Resolution No. 3469, adopted August 16, 1937, authorized the Treasurer to enter into the necessary agreements with the banks, as required by law, for the deposit of funds under his jurisdiction, and to determine the amount that shall be deposited in either active or inactive accounts.

The amounts on deposit in banks June 30, 1957, (Exhibit "A-1") are within the limitations specified in Government Code Section 53638:

"The deposit shall not exceed the total of the paid-up capital and surplus, of any depository."

Interest totaling \$763,679.74 was earned on inactive deposit balances during the fiscal year.

UNITED STATES BONDS (Par Value) \$68,750.00

United States Bonds representing Superior and Municipal Court bail deposits, include \$14,100.00 for which court orders for release or forfeitures were issued.

CASH RECEIVED AFTER JUNE 30, 1957 \$630,988.85

This item represents 1956-1957 collections which were deposited with the Treasurer in July 1957:

<u>Date Deposited</u>	<u>Amount</u>
July 1, 1957	\$509,910.04
July 2, 1957	55,918.01
July 3, 1957	63,216.41
July 5, 1957	<u>1,944.39</u>
Total	<u>\$630,988.85</u>

SECURITIES (PAR VALUE) \$328,098,722.00

Securities summarized below, except collateral securities deposited by banks, are held in the joint custody vault, as provided by Charter Section 83.

<u>SECURITIES CHARGED TO THE TREASURER</u>	<u>Par Value</u>	<u>Controller's Book Value</u>
BONDS:		
Employees' Retirement Fund	\$193,390,500.00	\$192,951,513.76
Bequest Funds	486,500.00	488,967.26
Trust Funds	15,000.00	15,555.00
Deposits on Leases	109,000.00	109,000.00
Miscellaneous	<u>1,475.00</u>	<u>1,475.00</u>
	<u>\$194,002,475.00</u>	<u>\$193,566,441.02</u>
MISCELLANEOUS:		
Corporate Stock (Bequest Funds)	\$ 247.00	\$ 2,094.25
Certified Checks (Deposits)	<u>18,000.00</u>	<u>18,000.00</u>
	<u>\$ 18,247.00</u>	<u>\$ 20,094.25</u>
<u>SECURITIES NOT CHARGED TO THE TREASURER</u>		
Collateral Securities	<u>\$134,078,000.00</u>	<u>\$125,107,158.10</u>
Total, June 30, 1957	<u>\$328,098,722.00</u>	<u>\$318,693,601.37</u>

BONDS (PAR VALUE) - EMPLOYEES' RETIREMENT FUND \$193,390,500.00

Verification and physical count of bonds was made in conjunction with representatives of Farquhar & Heimbucher, Certified Public Accountants, in connection with audit of the Employees' Retirement System.

Pursuant to Controller's instructions, bonds and coupons maturing during the fiscal year were examined and released by the Controller's Division of Accounts and Reports to the Treasurer for collection. Reports reflecting monthly collections for 1956-1957 were prepared by the Controller's Division of Accounts and Reports and transmitted to the Employees' Retirement Board.

Transactions during the year under review are summarized as follows:

Balance, June 30, 1956	\$176,804,250.00
Purchased	<u>18,043,000.00</u>
Total	\$194,847,250.00
Sold, called or matured	<u>1,456,750.00</u>
Balance, June 30, 1957	<u>\$193,390,500.00</u>

BONDS (PAR VALUE) BEQUEST AND TRUST FUNDS \$501,500.00 (EXHIBIT "A-2")

Bonds in the above amount and unmatured interest coupons attached were examined and verified with the Controller's records; detail of bonds examined is contained in audit working papers.

Interest collections on Bequest and Trust Funds are audited currently by the Controller's Division of Accounts and Reports.

During the fiscal year under review cash in existing bequest funds was invested in \$209,000 par value U. S. Treasury Certificates. Investment of funds was authorized by the officer, board or commission charged with the control and administration of said bequests and upon approval by the Controller as prescribed by Charter Section 82.

BONDS (PAR VALUE) DEPOSIT ON LEASES \$109,000.00 (EXHIBIT "A-2")

These bonds represent security on various leases of City and County property.

BONDS (PAR VALUE) MISCELLANEOUS \$1,475.00 (EXHIBIT "A-2")

The above represents deposits by various City and County departments for safe-keeping.

CORPORATE STOCK \$247.00 (EXHIBIT "A-2")

Represents par value of stocks belonging to bequest funds.

CERTIFIED CHECKS \$18,000.00

Represents three checks deposited with the Treasurer as security for faithful performance of contractual obligations.

COLLATERAL SECURITIES (PAR VALUE BONDS) \$134,078,000.00 (EXHIBIT "A-1")

The securities consist of Federal, State, or other Government Bonds of a type required by Government Code Section 53651 and approved by the Treasurer and City Attorney, in accordance with Government Code Section 53655.

Government Code Section 53657 provides:

"The market value of securities securing active or inactive deposits shall be at least 10 per cent in excess of the amount of the deposit secured by them but the amount of the deposit shall not exceed the face value of the securities."

The individual bank balances are detailed in Exhibit A-1. Balances at June 30, 1957 were less than face value of collateral deposited; the market value of said collateral exceeded the amount of deposit by at least 10%.

AUTHORIZED CITY AND COUNTY BONDS-UNSOLD (UNISSUED) \$146,850,000

Unsold (Unissued) City and County Bonds at June 30, 1957 represent the remainder of issues authorized by the electorate, as follows:

	Total Authorized	Sold		Unsold June 30, 1957
		Prior to 1956-1957	During 1956-1957	
<u>Authorized Nov. 4, 1947</u>				
1947 Street Improvement	\$ 22,850,000	\$ 17,150,000	\$ 2,800,000	\$ 2,900,000
1947 Recreation Bond	12,000,000	10,830,000	1,170,000	-0-
1947 Off-Street Parking	- 5,000,000	3,000,000		2,000,000
<u>Authorized June 1, 1948</u>				
1948 Sewage Treatment	15,000,000	14,550,000		450,000
<u>Authorized Nov. 2, 1948</u>				
1948 Schools	48,890,000	47,900,000	990,000	-0-
<u>Authorized Nov. 4, 1952</u>				
1952 Fire House	4,750,000	2,800,000	1,400,000	550,000
<u>Authorized June 8, 1954</u>				
1954 Sewer	12,645,000	2,500,000		10,145,000
<u>Authorized Nov. 2, 1954</u>				
1954 Laguna Honda Home and Hospital	5,475,000	2,500,000	2,500,000	475,000
1954 Exhibit Hall	3,275,000		3,275,000	-0-
1954 Recreation Center	5,000,000			5,000,000
1954 S. F. Hospital	5,830,000	1,500,000		4,330,000
<u>Authorized Nov. 8, 1955</u>				
1955 Playground and Recreation Center	7,000,000			7,000,000
1955 Hetch Hetchy Power	54,000,000		10,000,000	44,000,000
<u>Authorized June 5, 1956</u>				
1956 Hall of Justice	19,475,000		1,475,000	18,000,000
<u>Authorized Nov. 6, 1956</u>				
1956 Schools	27,000,000			27,000,000
1956 S. F. International Airport	25,000,000			25,000,000
Total	<u>\$273,190,000</u>	<u>\$102,730,000</u>	<u>\$23,610,000</u>	<u>\$146,850,000</u>

There were no printed unsold bonds on hand. It is the practice of the Treasurer to order the printing of bonds when a sale has been made by the Board of Supervisors.

Ordinance No. 1184, approved May 20, 1941, designates the First National City Bank of New York as the fiscal agent of the City and County of San Francisco for the purpose of providing payment in the City of New York of principal and interest due on bonds issued by the City and County of San Francisco, and provides the rates of compensation for said fiscal agent.

Transactions reported by said agent and compensations earned during the year ended June 30, 1957, follows:

	Par Value Paid and Cancelled.	Authorized Rate	Compensation Earned 1956-1957
Bonds	\$ 8,782,000.00	1/20 of 1%	\$ 4,391.00
Coupons (181009)	<u>2,377.230.00</u>	4¢ each	<u>7,240.36</u>
Total	<u>\$11,159,230.00</u>		<u>\$11,631.36 (1)</u>

(1) Includes \$1,455.92 for last quarter of 1956-1957  
which was paid in 1957-1958.

#### UNITED STATES SAVINGS BONDS

The purchase of United States Savings Bonds by City and County employees under the Payroll Allotment Plan was authorized by the Board of Supervisors' Resolutions No. 2666 and 3786, adopted June 2, 1942 and January 17, 1944, respectively.

The issue value of bonds purchased during the fiscal year for City and County employees was \$758,062.50 as compared with \$626,343.75 for the prior fiscal year.

#### REVENUE AND EXPENDITURES (EXHIBIT "B")

Revenues exceeded expenditures and encumbrances by \$669,917.53. A comparison with the previous fiscal year follows:

	1956-1957	1955-1956
<u>-Revenues</u>		
Interest earned on inactive bank deposits	\$763,679.74	\$564,287.04
Commissions received on Inheritance Tax		
Collections	40,000.00	40,000.00
Other Fees	123.50	119.00
Conscience Money	<u>645.00</u>	<u>177.00</u>
Total	\$804,448.24	\$604,583.04
<u>Expenditures and Encumbrances</u>		
Per Controller's records	<u>134,530.71</u>	<u>124,673.33</u>
Net Revenue	<u>\$669,917.53</u>	<u>\$479,909.71</u>



A five year comparative statement of revenues, expenditures and encumbrances is reflected on Exhibit B.

#### INTEREST ON INACTIVE BANK DEPOSITS \$763,679.74

In accordance with Government Code Section 53645 and 53649, interest is computed at rates specified in depository agreements on average daily balances. Such interest was received quarterly and distributed as follows:

	1956-1957 Budget <u>Estimate</u>	<u>Interest Earned</u>	
		1956-1957	1955-1956
General, Special Gas Tax and			
Special Road Impr. Funds	\$500,000.00	\$698,014.47	\$518,187.09
Municipal Railway	20,000.00	27,233.25	27,642.60
Water Operating	17,500.00	23,154.60	18,457.35
Redevelopment		<u>15,277.42</u>	
Total	<u>\$537,500.00</u>	<u>\$763,679.74</u>	<u>\$564,287.04</u>

The \$27,233.25 credited to Municipal Railway Operating Fund was distributed and prorated quarterly out of the total unapportioned interest of \$725,247.72 on the basis of the Treasurer's daily balances in that fund.

The credit to Water Operating Fund and the Redevelopment Fund was earned on inactive bank accounts used exclusively for those funds.

#### COMMISSIONS ON INHERITANCE TAX COLLECTIONS \$40,000.00

Inheritance Tax Commissions and settlements with the State for the 12 months ending May 31, 1957, are summarized as follows:

Inheritance Tax Collections		\$4,564,147.87
Less disbursements:		
Payments to the State	\$4,394,598.31	
Refunds	99,697.30	
Appraiser's Fees	<u>29,852.26</u>	<u>4,524,147.87</u>
Commissions earned fiscal year 1956-1957		<u>\$ 40,000.00</u>

Accounts maintained for Inheritance Tax purposes are recorded on State controlled prenumbered forms, subject to settlement with the State every two months, and to an audit by the State Controller's Office. Such audit was not duplicated in this assignment.

Pursuant to Section 14797 of the Revenue and Taxation Code, the maximum commissions a Treasurer of a county of the second class may retain is \$40,000.00 for a calendar year. The Commissions received cover the period from December 1, 1956 to May 31, 1957.

#### OTHER FEES \$123.50

A fifty cent fee for a "Duplicate Tax Receipt" and a one dollar fee for "Listing Contents of a Safe Deposit Box" is collected in accordance with Section 14144 and 14346 of the Revenue and Taxation Code.

CONSCIENCE MONEY \$645.00

This represents various remittances received from unidentified sources and classified as "Conscience Money".

EXPENDITURES AND ENCUMBRANCES \$134,530.71

Expenditures and encumbrances, compared with budget appropriations for 1956-1957 are as follows:

<u>By Treasurer</u>	<u>Appropriations as Modified</u>	<u>Expenditures and Encumbrances</u>
Permanent Salaries	\$116,732.10	\$116,702.10
Allowance for overtime	350.00	165.93
Contractual Services	13,680.00	13,568.60
Use of Employees' cars	360.00	314.20
Material and Supplies	1,597.40	1,483.33
 <u>By Purchaser</u>		
Telephone and Telegrams	200.00	58.01
City Directory	67.60	67.60
Stationery withdrawn from stores	90.00	86.54
Equipment	1,296.00	1,252.34
Reproduction Bureau	900.00	831.96
 Total	<u>\$135,273.10</u>	<u>\$134,530.71</u>

Expenditures and encumbrances are currently audited by the Controller's General Office. Such audit was not duplicated in this assignment.

SURETY BONDS AND INSURANCE

Detail of Surety Bonds and Insurance in force during the fiscal year is reflected in Exhibit "E".

Ed. Note:

Exhibits A-1, A-2 and D reflect detail of transactions presented in summary form in the body of the foregoing report. They have not been reproduced in this publication.



SUMMARY OF CASH AND SECURITIES

	<u>June 30th</u>	
	<u>1957</u>	<u>1956</u>
<u>CASH AND CASH ITEMS</u>		
<u>CASH AND CASH ITEMS ON HAND</u>		
Coin and currency	\$ 832,302.04	\$ 813,334.15
Checks on hand for deposit	1,832,426.35	803,545.27
Due from Clearing House	-	867.40
Health Service System's Deposit	270.10	-
	<u>\$ 2,664,998.49</u>	<u>\$ 1,617,746.82</u>
<u>CASH IN BANKS</u>		
Active Accounts	\$ 38,775,150.94	\$ 37,696,838.38
Inactive Accounts	59,075,000.00	48,075,000.00
	<u>\$ 97,850,150.94</u>	<u>\$ 85,771,838.38</u>
<u>UNITED STATES BONDS (PAR VALUE)</u>		
	<u>\$ 68,750.00</u>	<u>\$ 55,250.00</u>
<u>CASH RECEIVED AFTER JUNE 30, 1957 AND</u>		
<u>APPLIED TO FISCAL YEAR 1956-1957</u>		
	<u>\$ 630,998.85</u>	<u>\$ 723,436.23</u>
Total (Exhibit "C" and "D")	<u>\$101,214,998.28</u>	<u>\$ 88,166,291.43</u>
<u>SECURITIES</u>		
<u>BONDS (PAR VALUE)</u>		
Collateral from Banks (Exhibit "A-1")	\$134,078,000.00	\$116,125,000.00
Employees' Retirement Fund	193,390,500.00	176,834,250.00
Bequest Funds	486,500.00	277,500.00
Trust Funds	15,000.00	15,000.00
Deposits on Leases	109,000.00	109,000.00
Miscellaneous Deposits	1,475.00	1,475.00
	<u>\$328,080,475.00</u>	<u>\$293,332,275.00</u>
<u>OTHER</u>		
Deposit on lease (Corporate Stock)	-	\$ 4,000.00
Bequest Funds (Corporate Stock)	247.00	239.00
Contract Deposits (Certified Checks)	18,000.00	-
	<u>\$ 18,247.00</u>	<u>\$ 4,239.00</u>
Total	<u>\$328,098,722.00</u>	<u>\$293,336,464.00</u>
Total cash and securities	<u>\$429,313,610.28</u>	<u>\$381,504,755.43</u>

TREASURER

EXHIBIT "B"

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND ENCUMBRANCES

Fiscal Year Ended June 30th

REVENUES

Interest earned on deposit of public funds  
Commission on Inheritance Tax Collections  
Duplicate "Inheritance Tax Receipt" fees, etc.  
Conscience money

Total

EXPENDITURES AND ENCUMBRANCES

Permanent salaries  
Allowance for overtime  
Contractual Service  
Fiscal Agent - New York  
Materials and Supplies  
Equipment

Total

Net revenues

	1957	1956	1955	1954	1953
Interest earned on deposit of public funds	\$763,679.74	\$564,287.04	\$541,647.38	\$615,018.93	\$564,398.07
Commission on Inheritance Tax Collections	40,000.00	40,000.00	37,709.59	31,211.21	31,733.98
Duplicate "Inheritance Tax Receipt" fees, etc.	123.50	119.00	99.00	86.00	111.00
Conscience money	645.00	177.00	831.00	130.00	237.11
Total	\$804,448.24	\$604,583.04	\$580,286.97	\$646,446.14	\$596,480.16
Permanent salaries	\$116,702.10	\$107,043.00	\$101,425.90	\$96,285.00	\$95,683.52
Allowance for overtime	165.93	243.01	293.24	467.11	755.38
Contractual Service	3,141.51	4,517.98	3,616.67	2,219.87	2,169.07
Fiscal Agent - New York	11,631.26	11,070.90	11,616.92	11,750.00	13,325.60
Materials and Supplies	1,637.47	1,798.44	1,653.14	1,667.21	1,881.12
Equipment	1,252.34	-	536.94	-	465.91
Total	\$134,530.71	\$124,673.33	\$119,144.81	\$112,389.19	\$114,280.00
Net revenues	\$669,917.53	\$479,909.71	\$461,142.16	\$534,056.95	\$482,200.16

COMPARATIVE SUMMARY OF CASH TRANSACTIONS

<u>CASH TRANSACTIONS</u>	<u>Fiscal Year Ended June 30th</u>	
	<u>1957</u>	<u>1956</u>
<u>CASH BALANCE - BEGINNING OF YEAR</u>	<u>\$ 88,168,291.43</u>	<u>\$ 83,336,033.69</u>
<u>RECEIPTS</u>		
Receipts	\$281,389,779.17	\$250,305,239.34
Journal transfers (Contra)	<u>288,465,171.03</u>	<u>245,116,842.77</u>
Total	<u>\$569,854,950.20</u>	<u>\$495,422,082.11</u>
Total Balance and Receipts	<u>\$658,023,241.63</u>	<u>\$578,758,115.80</u>
<u>DISBURSEMENTS</u>		
Cash Disbursements	\$268,343,182.32	\$245,472,981.60
Journal transfers (Contra)	<u>288,465,171.03</u>	<u>245,116,842.77</u>
Total	<u>\$556,808,353.35</u>	<u>\$490,589,824.37</u>
<u>CASH BALANCE - END OF YEAR</u> (EXHIBITS "A" and "D")	<u>\$101,214,888.28</u>	<u>\$ 88,168,291.43</u>

COMPARATIVE SUMMARY OF CASH TRANSACTIONS

	<u>Fiscal Year ended June 30th</u>	
<u>CASH TRANSACTIONS</u>	<u>1957</u>	<u>1956</u>
<u>CURRENT FUNDS</u>		
Cash balance - Beginning of year	\$ 56,762,233.75	\$ 49,555,140.68
Cash receipts	207,846,426.25	196,226,197.37
Journal transfers	<u>256,739,642.61</u>	<u>221,508,837.97</u>
Total Available	<u>\$521,348,302.61</u>	<u>\$467,290,176.02</u>
Cash disbursements	\$190,053,051.67	\$176,301,706.24
Journal transfers	<u>272,900,592.00</u>	<u>234,226,236.03</u>
Total Disbursements	<u>\$462,953,643.67</u>	<u>\$410,527,942.27</u>
CASH BALANCE - END OF YEAR (EXHIBIT "D")	<u>\$ 58,394,658.94</u>	<u>\$ 56,762,233.75</u>
<u>CAPITAL FUNDS</u>		
Cash balance - Beginning of Year	\$ 22,892,432.90	\$ 25,188,602.60
Cash receipts	24,299,054.57	14,359,386.70
Journal transfers	<u>12,034,267.59</u>	<u>5,615,748.31</u>
Total Available	<u>\$ 59,225,755.06</u>	<u>\$ 45,163,737.61</u>
Cash disbursements	\$ 13,478,699.89	\$ 12,323,462.63
Journal transfers	<u>13,586,583.26</u>	<u>9,947,842.08</u>
Total Disbursements	<u>\$ 27,065,283.15</u>	<u>\$ 22,271,304.71</u>
CASH BALANCE - END OF YEAR (EXHIBIT "D")	<u>\$ 32,160,471.91</u>	<u>\$ 22,892,432.90</u>
<u>TRUST AND ASSESSMENT FUNDS</u>		
Cash balance - Beginning of Year	\$ 8,513,624.78	\$ 8,592,290.41
Cash receipts	49,244,298.35	39,719,655.27
Journal transfers	<u>19,691,260.83</u>	<u>17,992,256.49</u>
Total Available	<u>\$ 77,449,183.96</u>	<u>\$ 66,304,202.17</u>
Cash disbursements	\$ 64,811,430.76	\$ 56,847,812.73
Journal transfers	<u>1,977,995.77</u>	<u>942,764.66</u>
Total Disbursements	<u>\$ 66,789,426.53</u>	<u>\$ 57,790,577.39</u>
CASH BALANCE - END OF YEAR (EXHIBIT "D")	<u>\$ 10,659,757.43</u>	<u>\$ 8,513,624.78</u>
TOTAL CASH ON HAND (EXHIBIT "A" AND "D")	<u>\$101,214,888.28</u>	<u>\$ 88,168,291.43</u>

SURETY BONDS AND INSURANCESURETY BOND-TREASURER

In accordance with Charter Section 31, John J. Goodwin, Treasurer of the City and County of San Francisco, is bonded for \$200,000.00 by St. Paul Fire and Marine Insurance Company's Bond No. 1791065 in favor of the City and County of San Francisco and/or State of California, for a period of one year commencing January 8, 1957. The bond was recorded December 11, 1956 and is in the custody of the Controller as provided by Charter Section 67.

SURETY BOND OF EMPLOYEES

Pursuant to Ordinance No. 8075 Blanket Bond No. 404 C.B.O. 225 of Saint Paul Fire and Marine Insurance Company, expiring April 10, 1958 covers all employees of the City and County of San Francisco, under Section 6 for Fidelity and under Section 7 up to \$50,000.00 for any one employee or the sum of \$50,000.00 for any one loss. The bond is on file with the Controller.

In addition the bond under Section 14.4 covers the following employments in the Treasurer's Office for faithful performance:

- 2 Cashiers
- 4 Senior Tellers
- 3 Tellers
- 1 Senior Accountant
- 1 Accountant
- 1 Head Clerk
- 3 General Clerks

Positions in the Treasurer's Office not covered under Section 14.4 are:

- 1 Supervisor-Inheritance Tax Division
- 1 General Clerk
- 1 General Clerk Stenographer

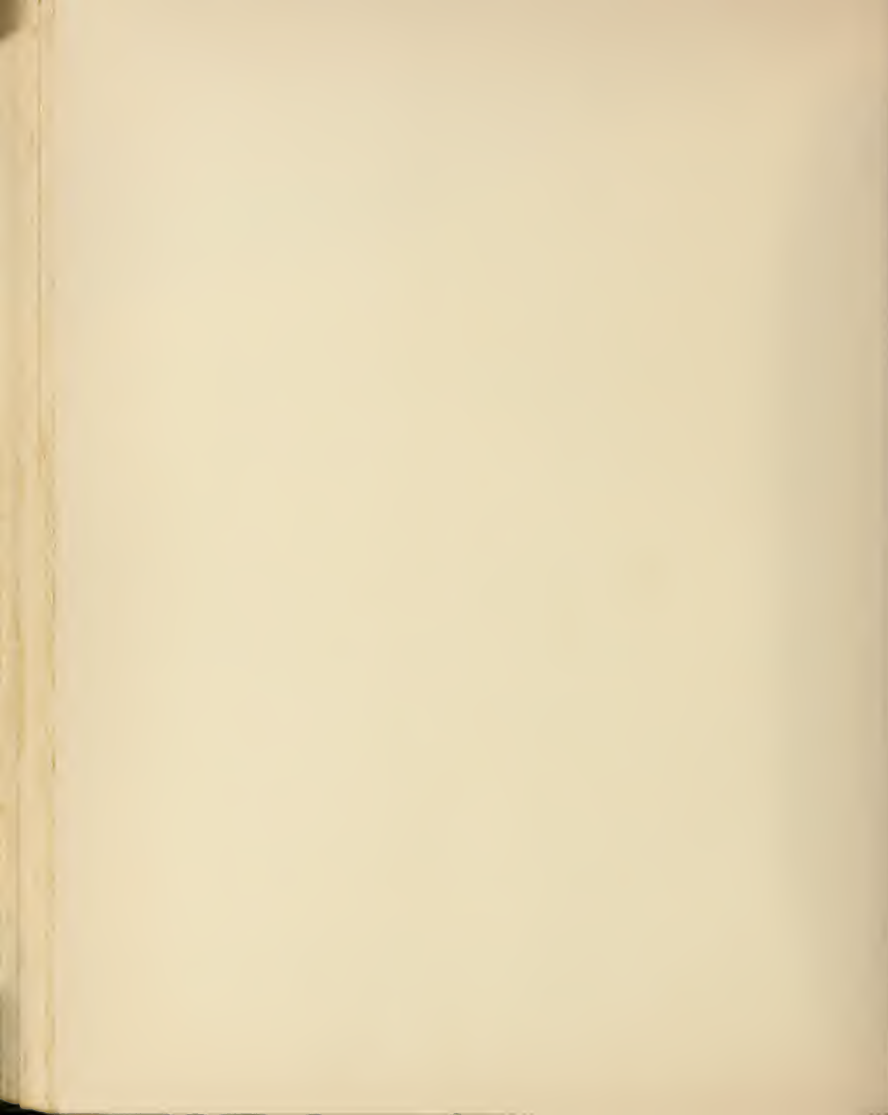
It is recommended that the bond be amended to include all employments in the Treasurer's Office under Section 14.4.

FORGERY INSURANCE

Forgery insurance up to \$100,000.00 is provided by Fidelity and Deposit Company of Maryland, Policy No. 26 64 241B for a period of three years commencing May 15, 1957. This policy is on file with the Controller.

OTHER INSURANCE

The Treasurer's Office carries no burglary or robbery insurance either as to inside or outside risks. The banks provide their own messenger service for all transactions in the Treasurer's Office. All checks for deposit are microfilmed for identification before being delivered to the bank messenger.



# Airport Department

SAN FRANCISCO INTERNATIONAL AIRPORT

SAN MATEO COUNTY



REPORT ON EXAMINATION OF ACCOUNTS

FOR THE FISCAL YEAR ENDED

JUNE 30, 1957

OFFICE OF THE CONTROLLER

October 24, 1957

Mr. Harry D. Ross  
Controller  
City and County of San Francisco

AIRPORT DEPARTMENT

San Francisco International Airport - San Mateo County

Examination of Accounts

For the Year Ended June 30, 1957

Dear Sir:

Under your direction and pursuant to the provisions of Charter Section 66, we have examined the financial statements listed below of the San Francisco International Airport, San Mateo County. Mr. David F. Supple, Consultant and Statistician to the Grand Jury, participated.

- Exhibit A - Balance Sheet, June 30, 1957
- Exhibit B - Statement of Surplus for the year ended June 30, 1957
- Exhibit C - Statement of Income and Expense for the years ended  
June 30, 1957 and June 30, 1956
- Schedule C-1 - Miscellaneous Additions to and Deductions from Income  
for the year ended June 30, 1957
- Exhibit D - Comparative report of Aircraft Movements and Traffic,  
including Domestic and International Activities, for  
the years ended June 30, 1957 and June 30, 1956

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the financial position of the San Francisco International Airport at June 30, 1957, and the results of its operations for the fiscal year then ended, on a basis consistent with that of the preceding year.

Respectfully submitted,



Nathan B. Cooper  
Supervisor, Utility Audits

Approved: 

HARRY D. ROSS  
CONTROLLER



## EXHIBIT A

AIRPORT DEPARTMENT  
SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN MATEO COUNTY

BALANCE SHEET AT JUNE 30, 1957

A S S E T S

Fixed Capital:		
In service	\$50,505,895.51	
Less reserve for depreciation	<u>8,914,003.00</u>	
Net book value	\$41,591,892.51	
Under construction	<u>93,189.84</u>	\$41,685,082.35
Cash:		
On deposit with City and County Treasurer	\$ 975,779.47	
Cash in Transit	403.04	
Revolving Fund	<u>2,500.00</u>	978,682.51
Accounts Receivable:		
Federal grants	\$ 83,525.35	
Revenues accrued and other receivables (net)	<u>305,628.02</u>	389,153.37
Interfund Accounts:		
Due from general city and county	\$ 346.80	
Due from other public service enterprises	<u>335.45</u>	682.25
Deferred Charges:		
Materials and supplies	\$ 13,773.08	
Commitments (contra)	149,548.18	
Other deferred items	<u>46,413.22</u>	211,734.48
Total Assets		<u>\$42,265,334.96</u>

L I A B I L I T I E S   A N D   S U R P L U S

Bonded Debt:		
Maturing within year ending June 30, 1958	\$ 1,708,000.00	
Maturing Sept. 1, 1958 through April 1, 1964	<u>7,039,000.00</u>	\$ 8,747,000.00
Bond Interest:		
Matured coupons not presented for payment	\$ 500.00	
Accrued, not due	<u>34,704.79</u>	34,704.79
Accounts Payable:		
Outstanding warrants	\$ 59,745.56	
General creditors	41,344.78	
Commitments (contra)	<u>149,548.18</u>	250,638.52
Interfund Accounts:		
Due to general city and county	\$ 62,674.30	
Due to other public service enterprises	<u>77,134.13</u>	139,808.43
Deferred Credits		<u>285,622.74</u>
Total Liabilities		\$ 8,164,572.45
Surplus - Exhibit B		<u>33,803,762.51</u>
Total Liabilities and Surplus		<u>\$42,265,334.96</u>

The accompanying notes to financial statements are an integral part of this balance sheet.

## EXHIBIT B

AIRPORT DEPARTMENT  
 SAN FRANCISCO INTERNATIONAL AIRPORT  
 SAN MATEO COUNTY

SURPLUS  
 YEAR ENDED JUNE 30, 1957

Surplus, June 30, 1956, annual report of Controller	\$32,030,737.65
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Add:

## Contributions:

Ad Valorem tax for Debt Service	\$ 145,280.20	
Purchase and Use tax for Debt Service	1,177,749.00	
State of California, Special Aviation Fund	9,975.10	
Contributions from Federal Agencies:		
CAA Grant #610 and #711	<u>163,013.88</u>	1,496,018.18

Net Profit, fiscal year 1956-57 - Exhibit C	<u>277,006.65</u>
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Surplus, June 30, 1957	<u><u>\$33,803,762.48</u></u>
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AIRPORT DEPARTMENT  
SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE  
YEARS ENDED JUNE 30, 1957 AND JUNE 30, 1956

OPERATING REVENUES:	<u>June 30, 1957</u>	<u>June 30, 1956</u>
Air carrier Flight Operations:		
Scheduled	\$481,950.75	\$446,448.09
Scheduled feeder lines	25,160.95	22,831.70
Non-scheduled	<u>17,205.07</u>	<u>11,209.90</u>
Total Air carrier Flight Operations	<u>\$524,316.77</u>	<u>\$480,489.69</u>
Rentals:		
Ramp area	\$ 15,861.60	\$ 15,861.60
Aircraft outdoor storage	10,159.54	13,780.25
Airport property		
Unimproved and paved	105,273.44	94,578.61
Expansion area	6,907.09	7,571.91
Hangars		
Entire hangars	35,117.52	39,799.55
Partial hangars	-0-	6,108.34
Passenger terminal building and airmail		
and cargo building office space	669,169.24	638,427.48
Other buildings and structures	<u>66,834.38</u>	<u>37,161.13</u>
Total Rentals	<u>\$909,322.81</u>	<u>\$853,288.87</u>
Bulk Petroleum Deliveries:		
Professional fire service	\$ 44,741.14	\$ 36,772.36
Rental of tank farm area	10,836.83	9,113.78
Wharfage charges	41,202.77	30,199.37
Pipe line licenses	<u>300.00</u>	<u>525.00</u>
Total Bulk Petroleum Deliveries	<u>\$ 97,080.79</u>	<u>\$ 76,615.51</u>

AIRPORT DEPARTMENT  
SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE  
YEARS ENDED JUNE 30, 1957 AND JUNE 30, 1956

## OPERATING REVENUES - Cont'd.

June 30, 1957June 30, 1956

## Services, Sales, Commissions and Permits:

Public address system	\$ 16,683.41	\$ 14,142.36
Restaurant and allied services	323,244.44	284,173.48
Newspaper and tobacco counters	56,688.49	49,213.41
Taxicab and limousine permits	150,807.24	135,787.94
Parking Lot (includes parking meters)	452,432.83	368,536.62
U-Drive	241,907.38	148,716.19
Telephone commissions	17,635.81	14,320.33
Travel agency, air service and sales	-0-	46.85
Telegraph commissions	-0-	600.00
Insurance vending machines	4,800.00	10,909.68
Sale of petroleum products	10,937.76	45,847.42
Shoe shine stands	3,889.07	3,712.30
Vending and weighing machines	565.70	472.81
Baggage locker commissions	11,617.60	9,583.71
Rest rooms	16,199.71	14,423.72
Automobile service station	17,702.65	15,780.09
Public stenographer	-0-	213.60
Florist	3,286.94	3,259.04
Gift shop	26,812.83	24,907.05
Advertising displays	26,381.50	14,485.25
Childrens' "Merry-Go-Rounds"	771.43	775.04
Candy shop	2,173.87	2,057.81
Book shop	4,680.17	4,507.23
Photography	1,720.56	1,287.94
Barber shop	3,263.87	3,224.83
Telescopes	313.65	294.43
Porter service	3,000.00	3,000.00
Telo-Tronics Agency	834.48	546.24
Beauty shop	1,900.00	-0-
Total Services, Sales, Commissions and Permits	<u>\$1,400,251.39</u>	<u>\$1,174,825.37</u>
TOTAL OPERATING REVENUES	<u>\$2,930,971.76</u>	<u>\$2,585,219.44</u>

## EXHIBIT C - Page 3

AIRPORT DEPARTMENT  
SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE  
YEARS ENDED JUNE 30, 1957 AND JUNE 30, 1956

OPERATING EXPENSES:	June 30, 1957	June 30, 1956
<b>Salaries and Wages:</b>		
General and administrative	\$ 50,354.94	\$ 46,817.66
Maintenance and operations	<u>769,896.45</u>	<u>695,740.53</u>
Total Salaries and Wages	<u>\$820,251.39</u>	<u>\$742,567.19</u>
<b>Other Costs of Operation:</b>		
Travel expense (Business trips)	\$ 5,506.12	\$ 4,427.02
Travel expense and local fares	256.96	9.75
Employee transportation expense	17,872.20	18,990.00
Freight, express and drayage	240.09	477.21
Use of employees' cars - mileage only	20.26	19.28
Storage and care of vehicles	46.65	48.65
Maintenance and care of office equipment	375.89	744.24
Maintenance and care of other equipment	221.48	434.93
Heat, Light, Power - Water	89,638.86	73,067.75
Telephone and telegraph	\$34,363.66	
Less: Extension service charged to tenants	<u>22,989.13</u>	<u>11,382.38</u>
Postage	671.49	662.31
Printing, advertising, etc.	1,749.79	3,406.64
Newspapers and periodicals	684.15	528.95
Janitorial and window washing services:		
Contractual	4,068.00	5,532.81
Refuse disposal	-0-	440.68
Rentals of office furniture and equipment	75.00	305.00
Professional and special services	48,144.25	39,704.62
Celebrations (Flight Festival)	-0-	1,053.29
Miscellaneous contractual services	891.61	1,208.68
Operating material and supplies	8,081.56	17,333.07
P. U. C. - general office expense	25,551.55	24,883.47
Fire fighting expense	212,432.33	198,233.48
Purchasing department expense	3,833.84	3,638.80
Towel service	<u>195.85</u>	<u>138.83</u>
Total Other Costs of Operation	<u>\$431,912.46</u>	<u>\$406,440.99</u>
<b>Other Costs of Maintenance and Repair:</b>		
Landing area	\$ -0-	\$ 281.01
Runways	35,530.79	24,427.94
Field lighting equipment	675.11	1,346.17
Radio equipment	1,751.29	1,831.80
Hangars	-0-	85.00
Administration building	39,923.14	25,274.23
Other buildings	4,433.66	2,544.14
Automotive equipment	21,845.17	4,813.04
Other equipment facilities	11,655.48	7,447.40
Parking areas, roads, walks, fences, etc.	1,180.77	7,914.75
Power distribution system	<u>11,945.57</u>	<u>2,203.25</u>
Total Other Costs of Maintenance and Repair	<u>\$123,640.83</u>	<u>\$ 77,524.33</u>

AIRPORT DEPARTMENT  
SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE  
YEARS ENDED JUNE 30, 1957 and JUNE 30, 1956

OPERATING EXPENSES - Cont'd.	June 30, 1957	June 30, 1956
Fixed Charges:		
Accident compensation - employees	\$ 4,267.55	\$ 668.80
Automobile insurance	2,298.74	1,977.81
Other insurance	11,120.56	11,507.03
Pension and retirement allowance	101,613.51	90,299.17
Taxes paid	\$ 71,573.65	
Less charged to tenants	<u>8,480.31</u>	
	63,093.34	62,342.57
Depreciation	1,034,550.22	1,029,908.17
Doubtful accounts	4,800.00	4,800.00
Membership dues	1,035.00	1,035.00
Awards, indemnities, damages and judgments	<u>3,758.25</u>	<u>-0-</u>
Total Fixed Charges	<u>\$1,229,537.27</u>	<u>\$1,205,538.55</u>
TOTAL OPERATING EXPENSES	<u>\$2,610,662.10</u>	<u>\$2,431,087.06</u>
OPERATING PROFIT	<u>\$ 320,309.66</u>	<u>\$ 154,132.38</u>
OTHER INCOME:		
Resale of electric energy	\$349,161.58	
Less cost thereof	<u>224,014.32</u>	
	\$ 125,147.36	\$ 101,603.76
Resale of water	\$ 55,363.35	
Less cost thereof	<u>51,773.11</u>	
	3,590.24	4,135.18
Sale of steam	4,756.27 (1)	4,463.74 (1)
Sewage disposal	16,259.09 (1)	1,532.77 (1)
Miscellaneous	<u>3,380.26</u>	<u>2,824.83</u>
Total Other Income	<u>\$ 153,133.22</u>	<u>\$ 114,560.28</u>
Sub-total	<u>\$ 473,442.88</u>	<u>\$ 268,692.66</u>
OTHER EXPENSE:		
1945 and 1949 Airport Bond Interest Expense	\$ 138,540.00	\$ 168,796.86
Miscellaneous additions to and deductions from income - net deduction (Schedule C-1)	<u>57,896.23</u>	<u>89,173.95</u>
Total Other Expense	<u>\$ 196,436.23</u>	<u>\$ 257,970.81</u>
NET PROFIT	<u>\$ 277,006.65</u>	<u>\$ 10,721.85</u>

(1) Cost of these items is incidental to the production for Airport general use. No breakdown of unit costs is available.

The accompanying notes to financial statements are an integral part of this statement of income and expense.

## SCHEDULE C - 1

 AIRPORT DEPARTMENT  
 SAN FRANCISCO INTERNATIONAL AIRPORT  
 SAN MATEO COUNTY

 MISCELLANEOUS ADDITIONS TO AND DEDUCTIONS FROM INCOME  
 YEAR ENDED JUNE 30, 1957

	Applicable to		<u>Total</u>
	<u>1956-57</u>	<u>Prior Years</u>	
Deductions:			
Provisions for possible uncollectibility of disputed accounts receivable:			
Western Airlines, Inc.	\$36,186.88		\$36,186.88
United Airlines, Inc.	2,400.00		2,400.00
Pan American Airways	<u>2,400.00</u>		<u>2,400.00</u>
Total	\$40,986.88		\$40,986.88
Adjustments of Fixed Capital	9,250.74	\$ 9,370.73	18,621.47
Miscellaneous deductions from revenue		<u>3,664.64</u>	<u>3,664.64</u>
Total deductions	<u>\$50,237.62</u>	<u>\$13,035.37</u>	<u>\$63,272.99</u>
Additions:			
Provisions for possible uncollectibility of disputed accounts receivable:		\$ 4,800.00	\$ 4,800.00
Miscellaneous deductions from expense		<u>576.76</u>	<u>576.76</u>
Total additions		<u>\$ 5,376.76</u>	<u>\$ 5,376.76</u>
Net deduction	<u>\$50,237.62</u>	<u>\$ 7,658.61</u>	<u>\$57,896.23</u>

The accompanying notes to financial statements are an integral part of this statement of miscellaneous additions to and deductions from income.



## EXHIBIT D

## AIRPORT DEPARTMENT

## SAN FRANCISCO INTERNATIONAL AIRPORT

## SAN MATEO COUNTY

## STATISTICS

YEARS ENDED JUNE 30, 1957 AND JUNE 30, 1956

Comparative report of aircraft movements and traffic, including domestic and international activities as reported by the various sources. The accuracy of this data has not been verified by the Controller's Utility Audit Division.

	<u>June 30,</u> <u>1957</u>	<u>June 30,</u> <u>1956</u>	<u>Increase</u> <u>Decrease (-)</u>	<u>%</u>
Aircraft arrivals and departures, including extra sections, as reported by the Civil Aeronautics Administration traffic control tower:				
Carriers	129,178	129,313	- 135	- 0.1
Itinerant	34,479	34,980	- 501	- 1.4
Local	<u>40,772</u>	<u>34,775</u>	<u>5,997</u>	<u>17.2</u>
Totals	<u>204,429</u>	<u>199,068</u>	<u>5,361</u>	<u>2.7</u>
Number of passengers, as reported by air carriers:				
On and off	3,223,656	2,791,937	431,719	15.5
Through (No stopovers)	<u>461,174</u>	<u>490,507</u>	<u>-29,333</u>	<u>- 6.0</u>
Totals in and out (1)	<u>3,684,830</u>	<u>3,282,444</u>	<u>402,386</u>	<u>12.2</u>
Air mail, express and freight, in pounds on and off, as reported by various air lines:				
(1)				
Air mail (2)	35,410,289	34,338,085	1,072,204	3.1
Express	9,195,181	8,822,952	372,229	4.2
Freight	<u>80,291,729</u>	<u>66,543,420</u>	<u>13,748,609</u>	<u>20.7</u>
Totals	<u>124,897,199</u>	<u>109,704,457</u>	<u>15,193,042</u>	<u>13.8</u>

## Note:

- (1) Excludes activities of those non-scheduled air carriers which operate only seasonally or which use the San Francisco Airport only intermittently.
- (2) June 30, 1957 figure includes 9,307,232 pounds of first class mail sent by air.

CITY AND COUNTY OF SAN FRANCISCO

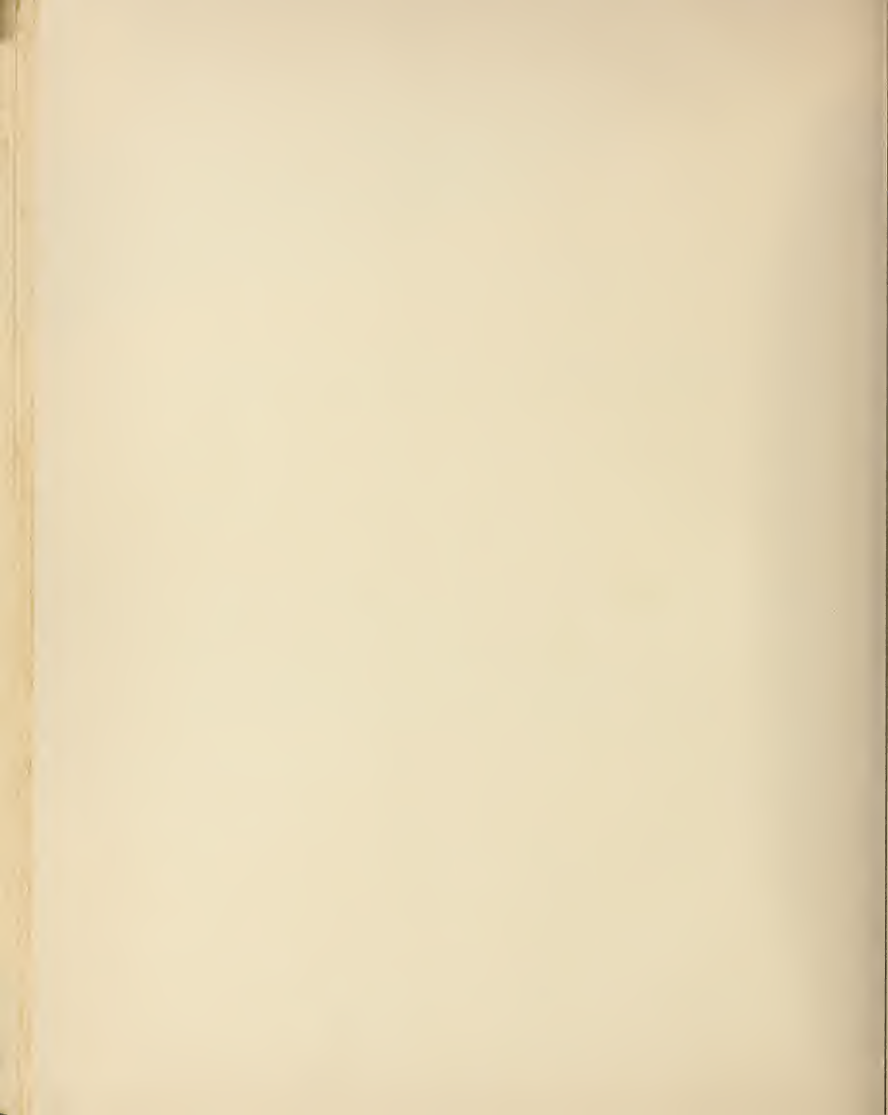
AIRPORT DEPARTMENT

SAN FRANCISCO INTERNATIONAL AIRPORT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1957

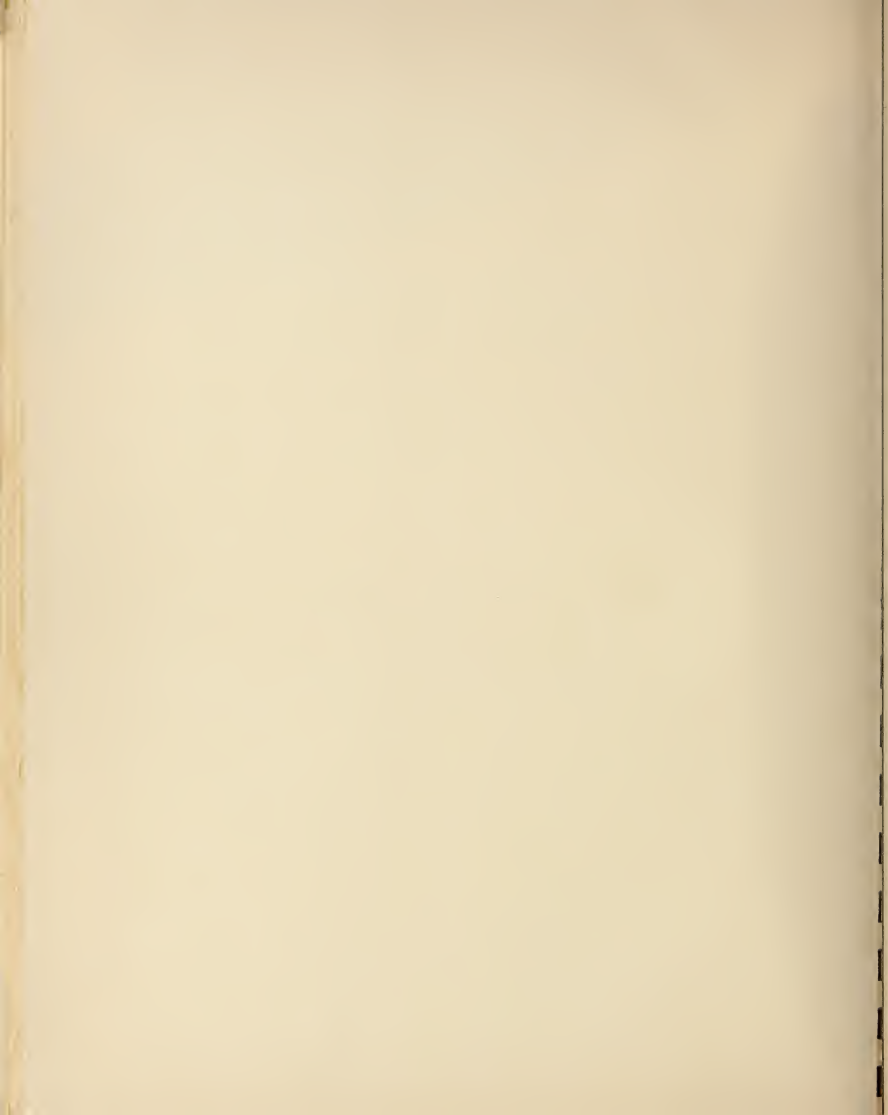
- Note 1. Included in accounts receivable of \$305,628.02 are certain disputed sums in the amount of \$40,115.03. This amount plus \$207,407.31 paid by Western Air Lines, Inc. under protest has been fully reserved under the account deferred credits.
- Note 2. In addition to the amount stated in Note 1, the San Francisco International Airport was contingently liable at June 30, 1957, for various alleged personal injuries and property damages evidenced by claims filed with the Controller in the amount of \$161,459.34. During the fiscal year ended June 30, 1957 there was in force an insurance policy protecting the Airport from personal injury and property damage claims.
- Note 3. Effective July 1, 1956 operations at the Executive Terminal, covering principally the storage and servicing of itinerant aircraft, were taken over from the Airport by a fixed base operator. This transfer of operations from the Airport to the fixed base operator resulted in a net decrease in revenues from these operations, principally in the revenues from the sale of Petroleum Products, of approximately \$32,000.00. This transfer of operations, however, made possible the assignment of an equivalent amount of Airport labor to other Airport duties.



City and County of San Francisco  
Employees' Retirement System



EXAMINATION  
FOR THE YEAR ENDED  
JUNE 30, 1957



FARQUHAR & HEIMBUCHER

*Certified Public Accountants*

220 BUSH STREET  
SAN FRANCISCO 4, CALIFORNIA

December 18, 1957

To the Honorable Harry D. Ross, Controller  
City and County of San Francisco  
San Francisco, California

We have examined the balance sheet of the San Francisco City and County Employees' Retirement System at June 30, 1957 and the related statement of changes in reserves for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of changes in reserves present fairly the financial position of the San Francisco City and County Employees' Retirement System at June 30, 1957 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles consistently applied.

*Farquhar & Heimbucher*

## SUMMARY OF CONTENTS

The remainder of this report, in addition to including the financial statements listed below, presents significant comments regarding the accounts and the extent of our verification thereof, under the following headings:

General Comments

Comments on Operations

Comments on Balance Sheet

## FINANCIAL STATEMENTS

Exhibit A Balance Sheet at June 30, 1957

Exhibit B Statement of Changes in Reserves for Year ended June 30, 1957

## GENERAL COMMENTS

Our examination was made under the terms of an agreement with the Controller of the City and County of San Francisco dated May 10, 1957. Mr. David F. Supple, Consultant and Statistician to the Grand Jury, participated.

The San Francisco City and County Employees' Retirement System was established by the Board of Supervisors of the City and County of San Francisco on April 1, 1922, acting under Article XVII of the charter which was adopted at the general election of November 2, 1920. The System was established to provide retirement and death benefits for public employees other than policemen and firemen, who were at that time members of a separate pension system, and officers appointed by the Mayor or elected. In 1925 membership privileges were extended to employees of the San Francisco Unified School District. With the adoption of a new City and County of San Francisco charter, effective January 8, 1932, the employees of the police and fire departments were brought



into the System, and the present name and administrative organization were adopted.

The System is administered by the Retirement Board consisting of seven members. They are the President of the Board of Supervisors, the City Attorney, three active members of the System elected by the membership, and two members appointed by the Mayor of whom one is an officer of a bank and the other a resident official of a life insurance company.

The present members of the Retirement Board are Mr. John J. Ferdon, President of the Board of Supervisors; Mr. Norman S. Wolff, the designated representative of Mr. Dion R. Holm, City Attorney; Mr. William J. Murphy, Mr. William T. Reed and Mr. Martin F. Wormuth, elected by the membership; Mr. Philip S. Dalton of Crocker-Anglo National Bank; and Mr. Harry J. Stewart of West Coast Life Insurance Company. Mr. James Duffy was Acting Secretary of the System during the period under review and until the appointment of a permanent Secretary by the Retirement Board.

Membership in the System now includes all permanent civil service employees of the City and County of San Francisco and the San Francisco Unified School District, certain part-time employees, and certain elective officials. The present active membership is approximately 19,500, and approximately 4,970 retired employees or their beneficiaries are receiving monthly benefit allowances.

#### COMMENTS ON OPERATIONS

We have not audited the operating accounts in detail but we have reviewed the system of internal control and the accounting procedures in use and have made sufficient tests of the transactions reflected in the statement of changes in reserves to satisfy ourselves as to its general accuracy.

In the course of our examination we compared members' contributions with payroll records and with established contribution rates on a test basis. Contributions of the City and County of San Francisco were found to be in accordance with the charter provisions. In the case of members contributing under the matching plan

provided under charter section 165 the City and County of San Francisco contributed amounts equal to the members' normal contributions. Contributions on behalf of members who are contributing under charter sections 165.2, 168.1, and 171.1 were computed at rates established by the consulting actuary. During the year under review these rates were as follows:

<u>Department</u>	<u>Charter Section</u>	<u>July 1, 1956 to January 31, 1957</u>	<u>February 1, 1957 to June 30, 1957</u>
Municipal Railway	165.2	5.913 %	6.221 %
Water Department	165.2	12.107	12.353
Police Department	168.1	19.714	19.714
Fire Department	171.1	26.651	27.775
All others	165.2	12.563	12.898

The above rates were computed on the basis of an actuarial survey at June 30, 1954 adjusted for charter changes and amendments.

In addition to the above contributions for current service benefits the City and County of San Francisco made contributions for payments of prior and current service benefits to policemen retired under sections 166 and 167 and firemen retired under sections 169 and 170 and for prior service benefits to other members retired or deceased.

Bond interest earned represents interest collected or accrued less amortization of premiums plus accumulation of discounts.

City and County of San Francisco other contributions represent reimbursement of actual administrative expenses and net compensation costs incurred.

We examined or tested distributions to active and retired members and to beneficiaries of deceased members, representing withdrawals of contributions and payment of retirement and death benefits. No discrepancies were noted.

A summary of the benefits paid during the year under review is as follows:

Service retirements	\$ 7,376,870.27
Disability retirements	1,970,882.32
Industrial death allowances	701,931.45
Death benefits to members' beneficiaries	640,665.13
Death benefits to beneficiaries of retired employees	<u>160,635.51</u>

Total	\$ <u>10,850,984.68</u>
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Our examination of administrative expenses and compensation costs included tests of invoices and other supporting data and verification of the computation of compensation indemnity payments.

The excess of reserve additions over reductions for the year is added to the several reserve accounts which are described elsewhere in this report.

#### COMMENTS ON BALANCE SHEET

In the following paragraphs we comment on the assets and liabilities of the System in the order in which they appear on the balance sheet, Exhibit A.

#### Cash - \$ 3,499,702.40

Cash on deposit with the Treasurer of the City and County of San Francisco, \$ 3,499,702.40, was verified by reconciliation with the balance shown on a certificate obtained direct from the General Audit Division of the Controller's Office, who performed the audit of the Treasurer's Office.

Certain warrants, amounting to \$ 60,213.98 which were cancelled by the Controller's department after they had remained unpaid for a considerable period of time are being carried as outstanding warrants in the accounts of the System and have been deducted to arrive at the above cash balance. The System is presently attempting to locate the payees of these warrants and make payment to them.

Employees' Contributions In Process of Collection - \$ 624,662.91

The above amount represents contributions withheld from employees' salaries for May and June 1957 for which cash transfers were made after June 30, 1957. This amount was confirmed by direct communication with the office of the Controller.

City and County of San Francisco Contributions  
and Reimbursements - \$ 1,756,633.51

A summary of the balances due from the City and County of San Francisco at June 30, 1957 is as follows:

City and County contributions due from public utilities and special funds	\$ 1,715,449.06
Contributions of policemen paid to Police Relief and Pension Fund prior to January 8, 1932	36,787.45
Due from special funds	4,376.20
Compensation costs	20.80
Due from Health Service	
Total	<u>\$ 1,756,633.51</u>

The amount for City and County of San Francisco contributions due from public utilities and special funds represents contributions for May and June 1957 for which cash transfer vouchers were made after June 30, 1957.

Contributions of policemen, made prior to January 8, 1932, were not transferred to the Retirement System when the police department joined the Retirement System on that date. Instead, the balance is reduced at the time of separation, death or retirement of each member by the amount of the contribution made to the former fund by that individual member plus interest and charged against current tax appropriations. It was not possible for us to confirm this balance with outside sources, but we reviewed the changes in the account during the year under review.

The amounts due from special funds for compensation costs were verified by examination of the books of the Controller.

We have obtained confirmation of the other amounts due from the City and County of San Francisco by communicating direct with the office of the Controller, and,

in cases of departments being currently audited by other certified public accountants, by communicating direct with their auditors.

Bond Interest Accrued - \$ 1,497,428.43

We have satisfied ourselves by an independent calculation that the above amount of \$ 1,497,428.43 represents the bond interest earned but not yet received at June 30, 1957.

Estimated Future City and County of San Francisco  
Contributions for Compensation Claims Pending - \$ 1,502,536.09

The above figure represents the estimated amount to be received from the City and County of San Francisco to meet future payments of existing compensation claims at June 30, 1957. This amount is offset on the balance sheet by a similar amount representing the estimated liability for such claims.

This figure is based on estimates of the Compensation Division and was not verified by us.

Under the provisions of the Charter of the City and County of San Francisco, the benefit provisions of the workmen's compensation insurance and safety laws of the State of California, as they affect officers and employees of the City and County, are administered by the Retirement Board. Benefits under such risks as are assumed by the City and County are paid by the Retirement System from funds furnished by Special Fund Agencies and tax appropriation.

Bond Investments - \$ 192,951,513.78

Bonds owned by the System are held in the joint custody of the Controller and the Treasurer of the City and County of San Francisco. They were verified by us by inspection as at June 30, 1957.

The above amount represents the purchase price of bonds owned adjusted for amortization of premiums and discounts from the dates of purchase to June 30, 1957. We did not ascertain the current market value of these securities. None of the bonds owned appeared in default as to principal or interest at June 30, 1957, and all appeared

to be of a character legal for investment by insurance companies in the State of California.

On the books of the System the amortized value of the bond investments is reduced by the balance of the undistributed earnings from the disposition of certain bonds in prior years. For financial statement purposes, however, this balance, which amounted to \$ 2,165,190.50 at June 30, 1957, is shown as a reserve as described later in this report.

The Appropriations in Excess of Requirements  
Provided to City and County of San Francisco - \$ 21,553.35

This account represents the excess of City and County of San Francisco tax appropriations allocated to the Retirement System over pension costs incurred for the year ended June 30, 1957.

This excess is derived as follows:

Balance June 30, 1956	\$	190,922.98
Total appropriation allocated to Retirement System for year		<u>12,137,955.90</u>
		12,328,878.90
less Excess over requirements for year ended June 30, 1956 returned to City and County of San Francisco		190,922.98
Fixed charges for current and prior service and other costs		<u>12,116,402.57</u>
		<u>12,307,325.55</u>
Balance June 30, 1957	\$	<u>21,553.35</u>

The City Attorney's opinion number 881, dated September 24, 1954, provides that the excess in the appropriations made to Retirement System since July 1, 1946 is to be returned to the General Fund in accordance with Section 80 of the charter. The excess of this nature prior to July 1, 1946, \$ 257,888.43, has been retained in the reserves of the Retirement System against the obligations of the City and County of San Francisco on account of benefits that have been granted and on account of prior service of members.



Accumulated Contributions of Former Members - \$ 23,260.80

This amount consists in most part of pension warrants issued to a member who was elected as an officer of the County after retirement, and who declined pension payment. The remaining balance in this account represents warrants issued for withdrawals of contributions but not yet presented for payment.

Advances from Private Sources - \$ 585.00

The above represents unexpended amounts received from various organizations for actuarial valuation expenses pertaining to proposed legislation affecting the retirement statutes.

Estimated Liability for Compensation Insurance  
Claims Pending - \$ 1,502,536.09

This amount is based on estimates by the Compensation Division and was not verified by us. It is offset by a similar amount shown as due from the City and County of San Francisco.

Reserves for Current Service Benefits  
Already Granted - \$ 56,521,066.30

This account represents reserves necessary to provide annuities and pensions for current service to retired members or their beneficiaries. Such reserves are not provided to meet pension requirements for prior service nor for current or prior service in the case of policemen retired under charter section 166 or of firemen retired under charter section 169, as such costs are covered by current contributions of the City and County.

These reserves are based originally on contributions accumulated by or for members, plus interest credited, less subsequent payments. However, since retirement benefits are on a guaranteed basis, some members' accounts eventually show payments in excess of the accumulated reserves while in other cases the reserves will exceed the actual payments. Therefore, as required by law an actuarial valuation of these reserves is made every six years based on current mortality and interest rates. Such an

actuarial survey was made as at June 30, 1954 upon which the above amount was based.

Reserves for Current Service Benefits  
Not Yet Granted - \$ 132,062,839.83

Members' contributions accumulated, as required by the applicable sections of the charter, together with the accrued interest amount to \$ 62,602,127.05. We have ascertained that this total is the aggregate of the balances reflected on individual members' accounts. We tested postings to the individual accounts from the payroll records and other sources. In all cases tested members were found to have been credited with their payroll withholdings and also with interest for the year ended June 30, 1957 at the rate of two and one-half per cent.

Statements of accounts as at June 30, 1957 were prepared for substantially all active members and delivered by us to the various departments of the City and County for distribution to the members. Each statement carried a request that the member communicate direct with us if he believed it to be incorrect. All discrepancies which have been reported to us to date were minor in nature and have been adjusted. It was not practicable to deliver statements for all the accounts, but we have scrutinized the accounts for which statements were returned undelivered, as well as those for which no statements were prepared.

City and County of San Francisco accumulated contributions, \$ 69,460,712.78, for the benefit of present members not yet retired are reflected in this account. Separate accounts are not maintained for individual members, but the contributions are computed in accordance with the charter section applicable to each member.

For the fiscal year ended June 30, 1957 interest was credited to this account at the rate of two and one-half per cent.

Reserves for Death Benefits on Deposit - \$ 9,529.41

This amount represents death benefits which the beneficiaries have voluntarily left on deposit with the Retirement System. They are being paid to the beneficiaries in monthly instalments.



Other Reserves - \$ 11,691,106.34

City and County of San Francisco contributions reserved for prior and current service benefits not otherwise funded, \$ 2,330,960.57, consists of unallocated funds retained by the System, as provided by an ordinance effective June 30, 1956, plus annual additions for City and County of San Francisco contributions released as a result of withdrawal or death of members who were participating under matching plans and interest credited. Allocations are made from these funds for financial statement purposes to the reserve for disability pensions in order to increase this reserve to the present value of the current service portion of disability pensions for retired members. These funds are also reduced annually for certain death benefits of active and retired members and for the restoration of matching contributions in connection with the redeposit of members' contributions previously withdrawn.

Changes in this reserve during the year under review were as follows:

Balance at June 30, 1956		\$ 2,294,496.25
Increases		
Contributions released on withdrawal of active members	16,053.42	
Contributions released on death of active members	51,794.93	
Interest credited	<u>116,513.27</u>	<u>184,361.62</u>
		2,478,857.87
Decreases		
Amount allocated to the reserve for disability pensions		
Required at June 30, 1957	2,427,196.91	
Required at June 30, 1956	<u>2,364,314.70</u>	
Increase in amount allocated	62,882.21	
Death benefits paid to beneficiaries of matching plan members	84,725.38	
Amount transferred on account of redeposit of members' contributions previously withdrawn	<u>289.71</u>	<u>147,897.30</u>
Balance at June 30, 1957		\$ <u>2,330,960.57</u>

Unallocated earnings from sale of bonds, \$ 2,165,190.50, represent the unabsorbed portion of book profit from the sale of certain bonds. This reserve was created in accordance with resolutions adopted by the Retirement Board, and is being distributed over the life of the bonds purchased with the proceeds.

The following schedule shows the allocations of profit to date:

Profit realized from sale of bonds		
Year ended June 30, 1943	\$ 400,421.35	
1944	1,418,102.36	
1945	3,207,543.26	
1954	31,050.49	
1955	<u>57,765.72</u>	5,114,883.18
Profit applied for thirteen years ended June 30, 1956		<u>2,749,192.71</u>
Balance undistributed at June 30, 1956		2,365,690.47
Profit applied for year ended June 30, 1957		<u>200,499.97</u>
Balance undistributed at June 30, 1957		\$ <u>2,165,190.50</u>

On the books of the System this reserve is carried as a valuation reserve against the amortized value of bond investments.

Contingency reserve against adverse experience, \$ 7,194,955.27, represents interest earned on investments in excess of the amount allocated to all accumulated contributions and reserve accounts at the rates established by the Retirement Board. Also included in this account are accumulated profits of \$ 2,949,692.68 from the sale of bonds in prior years.

This reserve was established to meet possible deficiencies in interest of future years, losses on investments, and other contingencies, as approved by the Retirement Board at their meeting of December 1, 1948.

Changes in this account during the year under review were as follows:

Balance at June 30, 1956		\$ 6,052,454.36
Bond interest earned	5,429,712.94	
Prior years' profit on sale of bonds applied during the year	200,499.97	
Interest earned on City and County of San Francisco balance	976.90	
Other income	<u>3,645.81</u>	<u>5,671,835.62</u>
Total		11,687,289.98
Less Interest credited to all accumulated contributions and reserves		<u>4,492,334.71</u>
Balance at June 30, 1957		\$ <u>7,194,955.27</u>

## EXHIBIT A

## SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM

## BALANCE SHEET AT JUNE 30, 1937

## ASSETS

\$ 3,499,702.40

CASH

## RECEIVABLES

Employees' contributions in process

of collection

City and County of San Francisco

contributions and reimbursements

paid interest on bonds

Edwin B. Tamm, City and County of

San Francisco contributions for

compensation claim - pending (contra)

1,502,536.09

## BOND INVESTMENTS AT AMORTIZED VALUE

(PAR VALUE \$ 193,750,500.)

United States Government

California municipalities, school district,

municipalities other than California

Railroads

Railroad equipment trusts

Railroad terminal

Public utilities

50,489,072.51

193,951,513.78

3,499,702.40

## EXHIBIT A

## SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM

## BALANCE SHEET AT JUNE 30, 1937

## LIABILITIES

## LIABILITIES CURRENTLY PAYABLE

Tax appropriations in excess of requirements

payable to City and County of San Francisco

Accumulated contributions of former members

Advances from private sources

Estimated liability for compensation costs

(contra)

1,502,536.09

21,553.35

23,260.80

585.00

1,947,935.24

## RESERVES

For current service benefits already granted

Service retirements

Annuities

Disability retirements

Annuities

Industrial death allowances

Annuities

Pensions

For current service benefits not yet granted

Members' accumulated contributions

Normal - general

Police

Fire

Additional

City and County of San Francisco

accumulated contributions

For death benefits on deposit

other

City and County of San Francisco

contributions for prior and

current service benefits not other-

wise funded

Unallocated earnings from sale of bonds

Contingency reserve against adverse

experience

2,330,960.57

2,165,190.50

7,194,955.27

201,832,477.12

201,832,477.12

## EXHIBIT B

## SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM

## STATEMENT OF CHANGES IN RESERVES FOR YEAR ENDED JUNE 30, 1947

MEMBERS' CONTRIBUTIONS	
Normal	
General	\$ 6,433,131.25
Police	767,050.68
Fire	8,257,959.44
Additional	74,204.88
Redeposits of withdrawn contributions	<u>8,281.82</u>
	8,340,426.14
CITY AND COUNTY OF SAN FRANCISCO	
REGULAR CONTRIBUTIONS	
Current service reserves	
General	9,497,536.14
Police	2,033,179.33
Fire	2,434,528.20
Current service benefits	<u>13,965,243.67</u>
Police	179,434.37
Fire	291,271.61
Prior service benefits	<u>1,171,371.98</u>
General	873,715.22
Police	985,246.73
Fire	<u>1,101,914.93</u>
	18,485,423.53
INCOME	
Interest earned	5,429,712.94
Other	<u>1,622.81</u>
	5,434,335.75
CITY AND COUNTY OF SAN FRANCISCO	
OTHER CONTRIBUTIONS	
For administrative expenses (contra)	215,607.24
For compensation insurance costs incurred (contra)	<u>236,139.69</u>
Total reserve additions forward	32,713,122.35

## EXHIBIT B

## SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM

## STATEMENT OF CHANGES IN RESERVES FOR YEAR ENDED JUNE 30, 1947

Total reserve additions (forward)	\$ 32,713,122.35
DISBURSEMENTS TO MEMBERS AND BENEFICIARIES	
Allowances and benefits paid	1,884,987.38
From accumulated contributions	4,442,817.44
Members	
City and County of	
San Francisco	1,523,179.86
From City and County of	
San Francisco current payments	10,850,984.68
Monthly death benefit installments	10,276.63
Accumulated contributions withdrawn	<u>3,042,495.00</u>
	13,903,857.31
ADMINISTRATIVE EXPENSES PAID (CONTRA)	215,607.24
COMPENSATION COSTS INCURRED (CONTRA)	
Weekly benefits	147,804.26
Medical expenses	226,382.01
Premiums	3,223.27
Administrative expenses	<u>395,083.51</u>
Less Subrogation recoveries and refunds from special funds	22,674.00
	158,725.24
RECLASSIFICATION OF ACCOUNTS	736,339.69
Accumulated contributions of former members transferred to liabilities	23,661.80
Less death benefits on deposit transferred to reserves	<u>19,442.86</u>
	4,517.94
Total reserve reductions	14,637,613.18
EXCESS OF RESERVE ADDITIONS OVER REDUCTIONS	18,075,509.17
RESERVES AT JUNE 30, 1946	<u>147,815,134.71</u>
RESERVES AT JUNE 30, 1947	
For current service of beneficiaries already accrued	74,204.88
For regular service reserves	10,850,984.68
For death benefit installments	10,276.63
For accumulated contributions	13,903,857.31
For administrative expenses	215,607.24
For compensation insurance costs	236,139.69











